

# Inventory Management User Manual

Physical Inventory Management

**Author: EBM Manufacturing Core Team**

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## Document Control

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### Revisions & Status

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0.1	01.08.2014	Initial Version	RPI

### Referred documents and references

Document / Reference	Storage
<b>EBM Business Blueprint Manufacturing</b>	
<b>MAN8 &amp; MAN9 &amp; MAN10 - EBM MAN - Inventory Management - Physical Inventory Management</b>	<a href="https://docs.google.com/a/lafargeholcim.com/presentation/d/1rCdITfeq9IC7pz2KakGIViQvq_JevAlo4SIGVVMLmc/edit?usp=sharing">https://docs.google.com/a/lafargeholcim.com/presentation/d/1rCdITfeq9IC7pz2KakGIViQvq_JevAlo4SIGVVMLmc/edit?usp=sharing</a>

### Distribution List

Function / Role	Company

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## 1. Introduction

This is the document that provides all the necessary information to enable the End User to perform their activities of SAP and no SAP systems, related with Inventory Management, on the respective go-life date, in line with the following criteria:

- Speed of execution of tasks
- Quality of data entry
- Compliance with management rules
- Maximum user ease

Throughout this document explains in detail each of the activities necessary to carry out the processes in Inventory Management.

## 2. Glossary & Abbreviations

The table below lists all the abbreviations used in the document with their complete description.

Abbreviation	Description
CEM	Cement
AFR	Alternative Fuels and Raw Materials
RMX	Ready mix
MIC	Mineral components
EMEA	Europe, Middle East and Africa
EBM	European Business Model
LHARP	LafargeHolcim Accounting and Reporting Principles
LHAC	LafargeHolcim Asset Coding
TIS	Technical Information System
BOM	Bill of Material
MRP	Material Requirements Planning
CKD	Clinker Kiln Dust
MEC	Month End Closing
MM	Material Management

IM	Inventory Management
MOBISYS	Mobile application (Bar coding; Scanner)
PPI	Process Performance Indicator

### 3. Organizational Elements

#### 3.1 Organizational Elements used in Inventory Management Processes

##### 3.1.1 Plant

###### *General Concept*

The plant represents a physical location within LafargeHolcim where products are manufactured, received or distributed.

In EBM, a plant could be:

- **Manufacturing plant:** cement plant, grinding station, blending station, AFR unit, MIC plant, quarry, pit, RMX plant (fix/mobile), asphalt plant, etc.
- **Shipping point / terminal / storage location:** when it is not located in the same physical location as the production plant and transportation costs must be added to the cost of products.
- **Office / headquarters / trading plant:** when they are not located in a production plant
- Third parties (suppliers): O2C tech.& legal requirement to create them as virtual plants (just 1 per country).
- **Power generation plants:** just if it is not located next to a CEM plant. If the power generation plant is located next to the CEM plant, only 1 plant code will be created in SAP for both CEM and power plant.
- **Mixed plants:** LHARP rule 11.1 2.2.2.5 to be followed. If the secondary business is below 20% of cash cost and below 1 Mio. USD, only 1 plant is created, assigned to the main business segment and secondary business is treated as by-product. If the thresholds are achieved, 2 plants should be created and assets properly split.

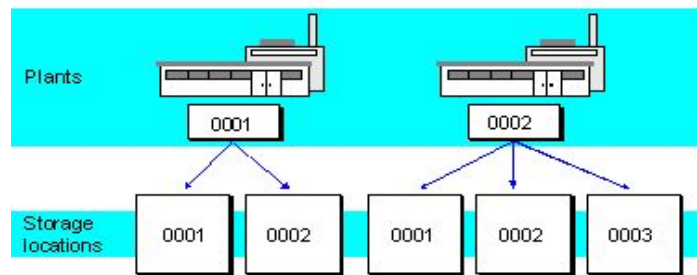
The material stocks will be managed and valued at plant level.

##### 3.1.2 Storage Location

###### *General Concept*

Organizational unit that allows to differentiate between various types of stock within a plant.

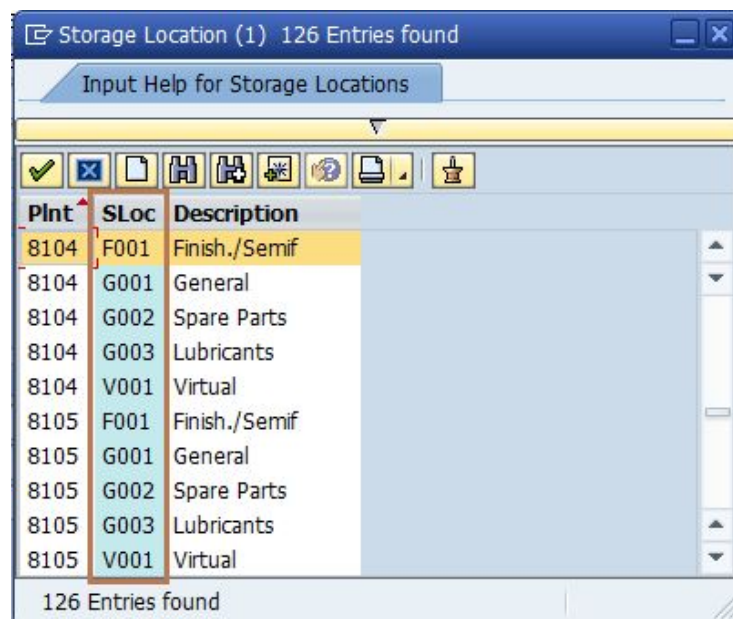
- Storage locations are created at plant level.
- Inventory Management is carried out at storage location level (Goods movements).
- Stocks are managed only on a quantity basis and not on a value basis at storage location level.
- Simplification of goods movements (Receipts, issues, transfers,...) management .
- Physical inventories are carried out at storage location level.



### Coding

It has a 4 digit coding, “**XXXX**”, where the first digit identifies the usage of the storage location and the remaining 3 are sequential numbers

- **F**: For finished/semi-finished products
- **G**: For general materials (maintenance materials, production materials – fuels, raw materials, packing,...)
- **V**: For virtual warehouse



Plnt	SLoc	Description
8104	F001	Finish./Semif
8104	G001	General
8104	G002	Spare Parts
8104	G003	Lubricants
8104	V001	Virtual
8105	F001	Finish./Semif
8105	G001	General
8105	G002	Spare Parts
8105	G003	Lubricants
8105	V001	Virtual

### Storage Location for Finished and Semi-finished products

Follows the General EBM concept. A single storage location is created for each plant for finished/semi-finished products (Simplification)

It allows «negative stocks». Due to the fact that Process Order Confirmations are done on a weekly/monthly basis and outbound deliveries daily, it is necessary to allow the negative stocks during the month. As part of the Month End Closing the stocks are adjusted.

It is codified with a «**F**» letter as first digit:



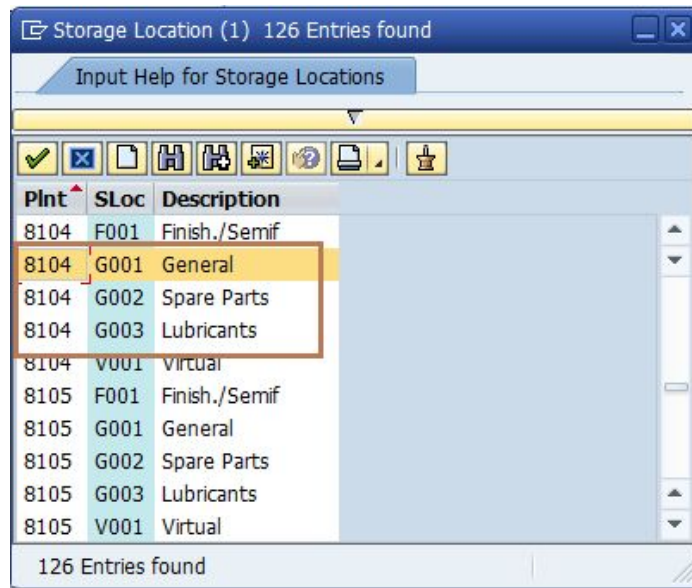
- **F001**: Finished/Semi-finished products

#### Storage Location for Production Materials

Follows the General EBM concept. A single storage location is created for each plant for production materials (Simplification).

It is codified with a «G» letter as first digit

- **G100**: General Storage for Production Materials
- **G200**: General Storage for Maintenance Materials



Plnt	Sloc	Description
8104	F001	Finish./Semif
8104	G001	General
8104	G002	Spare Parts
8104	G003	Lubricants
8104	V001	Virtual
8105	F001	Finish./Semif
8105	G001	General
8105	G002	Spare Parts
8105	G003	Lubricants
8105	V001	Virtual

Detailed coding of storage location is described in Manufacturing Blueprint.

		Plant segment			
		CEM	AGG	RMX	AFR
Material types	Finish and semi-finish	F001 F900 ( <i>stock in transit</i> ) F002 ( <i>quarry with internal transfer</i> ) F00X ( <i>ship / train loadings</i> )	F00X F900		F001
	Production and Raw	G100 G106 ( <i>Intermediate stock</i> )	G1XX	G100	G100
	Maintenance	G200 G2XX ( <i>special-legal storages</i> ) G299 ( <i>obsoletes</i> )	G200 G2XX G299	G200 G2XX G299	G200 G2XX G299
	Virtual	V200	V200		
	Packaged				G101 G161
	Handling				H101 H161

## 4. Physical Inventory

### Overview



### 4.1 Process Background

Physical Inventory refers to process of physically determining and recording existing stocks in order to ensure the level of stock currently on hand. Actual stock levels determined are compared with the book inventory balances and any differences is found, may be adjusted/corrected as necessary.

In Inventory Management, physical inventory is carried out at storage location level. In this process, unrestricted use stock, quality inspection stock, vendor consignment stock and blocked stock all can be inventoried.

### 4.2 Process Objectives

The objectives of this process are the following:

Update the stock figures (Quantities) reflecting the reality into the transactional system.

### 4.3 Relevant Process Steps

Physical Inventory Management for *Maintenance Materials* includes the following steps:

- Create Physical Inventory Document.
- Block Material for Posting.
- Print and Distribute Inventory Document (if the inventory count is not done using Mobisys)
- Counting Stock.
- Entering Result of Count on Physical Inventory Document (or into Mobisys handheld terminal)
- Entering Result of Count into the System.
- Initiating a recount if necessary.
- Posting Inventory Differences.

And the steps for Physical Inventory Management for *Production Materials*:

- Create Physical Inventory Document

- Order Supplier for topographic measurement (\* Process step relevant for AGG & RMX inventory management)
- Print and Distribute Inventory document
- Measure and calculate Stock
- Entering result of calculation of physical stock pile on physical inventory document
- Initiating a recount if necessary

## 4.4 Physical Inventory Preparation

### 4.4.1 Create a physical inventory document

The inventory document can be created for only some specific materials or in a mass way.

#### 4.4.1.1 For specific materials


**SAP Path:**

Logistics ⌵ Materials Management ⌵ Physical Inventory

**Transaction:**

MI01 – Create

**Initial Screen**



The screenshot shows the 'Create Physical Inventory Document: Initial Screen' in SAP. The form is divided into several sections. At the top, there are icons for printing, saving, and help. Below these, there are two date fields: 'Document date' and 'Planned count date', both set to '20.07.2011'. The 'Loc. of phys. inv.' section contains three fields: 'Plant' (8101), 'Storage Location' (G002), and 'Special Stock' (empty). The 'Other information' section contains three checkboxes: 'Posting Block' (checked and highlighted with a red box), 'Freeze book inventory' (unchecked), and 'Batches w. del. flag' (unchecked). Below these are three more fields: 'Phys. inventory no.' (empty), 'Phys. Inventory Ref.' (empty), and 'Grouping type' (empty).

Enter the Header Data for the Inventory Document. Mark the checkbox: *Posting Block*  
(Indicates that no **goods movements** involving the materials listed in the physical inventory document can be posted for the duration of a **physical inventory count**)  
FOR THE

## New Items

Physical Inventory Document   Edit   Goto   Environment   System   Help

Physical Inventory Document: New Items

Deletion Indicator   Other Phys. Inventory Doc.

Plant   8101   AD CEM Plant.  
 Stor. Loc.   G002   Spare Parts

Items

Itm	Material	Material Description	Batch	SIy	AUn	BD	Del
1	30000001		n	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	30000001		r	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	30000001		u	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	30000050			1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12				1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Enter the material numbers for which you want to perform the physical inventory.

### SAP Path:

Logistics      Materials Management      Physical Inventory

### Transaction:

MI03 – Display

Physical Inventory Document   Edit   Goto   Environment   System   Help

Display Physical Inventory Document 100000104 : Overview

Position...   Physical Inventory History   Statistics...   Other Phys. Inventory Doc.

Plant   8101   AD CEM Plant.  
 Stor. Loc.   G002   Spare Parts

Items

Itm	Material	Material Description	Batch	SIy	AUn	Del
1	30000001	Motor 2500 kw	N	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	30000001	Motor 2500 kw	R	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	30000001	Motor 2500 kw	U	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	30000050	Motor 2500 kw	N	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The new material document has been created.

#### 4.4.1.2 Mass way

With this transaction you can create a **batch input session**, which creates physical inventory documents based on your selection for standard stock without special stock.

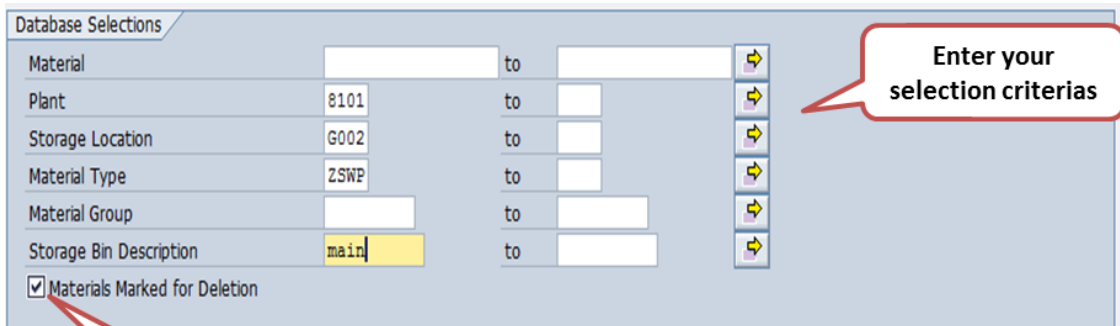
**SAP Path:**

Logistics ⌵ Materials Management ⌵ Physical Inventory ⌵ Sessions ⌵ Create Physical Inventory Documents

**Transaction:**

MI31 – Without Special Stock

**Database Selections:**



Database Selections			
Material		to	
Plant	8101	to	
Storage Location	G002	to	
Material Type	ZSWP	to	
Material Group		to	
Storage Bin Description	main	to	
<input checked="" type="checkbox"/> Materials Marked for Deletion			

Set this indicator to include materials with deletion flag

Enter your selection criterias

**Control:**

If you set this indicator, a list of the results is displayed, before the session is created.

Control

☒ Select data and issue log  
☐ Generate Batch Input  
☐ Create dcmts directly

☒ Issue Log  
 Max. No. Items/Doc.   
 No. Mtls to be Included

Name of Session   
☐ Hold processed sessions

Name of the Batch Input: Z\_Plant\_SLoc

If you enter a maximum number of items here, the system creates a new document for the remaining items when this number is reached

**Selection criteria's**

Selection Acc. to Stock Balance

☐ Acc. to Stck  
 Threshold Value for Stock   
 SP Threshold Value for VO Mat.

☐ Only Materials with Zero Stock  
☐ Only Materials W/o Zero Stock  
☐ Only Materials with Negative Stock

☐ Exclude from selectio  
☐ Exclude from selectio

Stock Types  
☒ Unrestricted Use  
☐ In Quality Inspection  
☐ Blocked  
☐ Value-Only Matis

☒ Incl. Matis Subj. to Phys. Inv.  
☒ Incl. Btchs Subj. to PhysInv

Select the stock type you want to count.

If this indicator is not set, only the non-inventoried materials and the non-inventried batches will be selected.  
We suggest setting these indicators

## Count date / Sorting

**Data in Phys. Inv. Docmt Header**

Planned Count Date: 22.07.2011 ☐ Set posting block

Physical Inventory Number:  ☐ Freeze book inv.bal.

Phys. Inventory Ref.:

**Sorting**

▼ Sorting

☐ Plant - SLoc. - Material

☒ Plant - SLoc. - Stor. Bin Description - Material

☐ Storage Bin Description -> Document Header

☐ Plant - StorLoc. - Matl Group - Material

☐ Matl Group -> Docmt Header

☐ New Document Created when Group Changed

**Display Options**

Layout:

Enter here the sorting criterias

Indicates that **no goods movements** involving the materials listed in the physical inventory document can be posted for the duration of a **physical inventory count**.

If the count results are not entered immediately after the stock has been counted, any goods movements which may take place in the meantime will not change the book inventory balance relevant to the physical inventory.

Enter your selection and execute the report with:



**Selected Data for Phys. Inventory Docmts W/o Special Stock**

\*\*\* Statistics \*\*\*

Total No. Stock Mgmt Units for Phys. Inventory: 15

No. of Possible Phys. Inv. Docmt Items: 15

No. of Errors Found: 0

Create Batch Input Session





Report results

Plant	SLoc	Material	Batch	STy	Bin	Matl Group	PhysInvDoc	Status
8101	G002	30000020			1	030213		
8101	G002	30000025				030835		
8101	G002	30000030			1	030302		
8101	G002	30000040			1	031003		
8101	G002	30000044			1	0401		
8101	G002	30000045			1			
8101	G002	30000049	TEST1		1	03		
8101	G002	30000050	N		1	MAIN		
8101	G002	30000051			1			
8101	G002	30000054	N		1			
8101	G002	30000078			1			
8101	G002	30000080			1			
8101	G002	30000090			1	080301		
8101	G002	30000091			1	040302		
8101	G002	30000093			1	010102		

Select all items and either create document directly or by batch input session. For a lot of items, Batch Input is recommended.



**Batch Input Created for the Creation of Phys. Inv. Docmts**

   				Process Session
*** Statistics ***				
Total No. Stock Mgmt Units for Phys. Inventory				4
No. of Batch Input Sessions Created f. Phys. Inv. Doc. Items				4
No. of Errors Found				0

Plnt SLoc Material	Batch	STy Bin	Matl Group	PhysInvDoc
Msg. Note	Status			
8101 G002 30000001	N	1 MAIN	031003	Batch Input
8101 G002 30000001	R	1 MAIN	031003	Batch Input
8101 G002 30000001	U	1 MAIN	031003	Batch Input
8101 G002 30000050	N	1 MAIN	031003	Batch Input

After execution of the program the statistic above is created indicating all materials created for the inventory document and the batch input session is created.

To execute the batch input please press:

## Process Session

You receive a batch input session overview:

### Batch Input: Session Overview


Analysis **Process** Statistics Log Recording

Selection criteria  
Sess.: MB\_MI01 From: To : Created by: \*

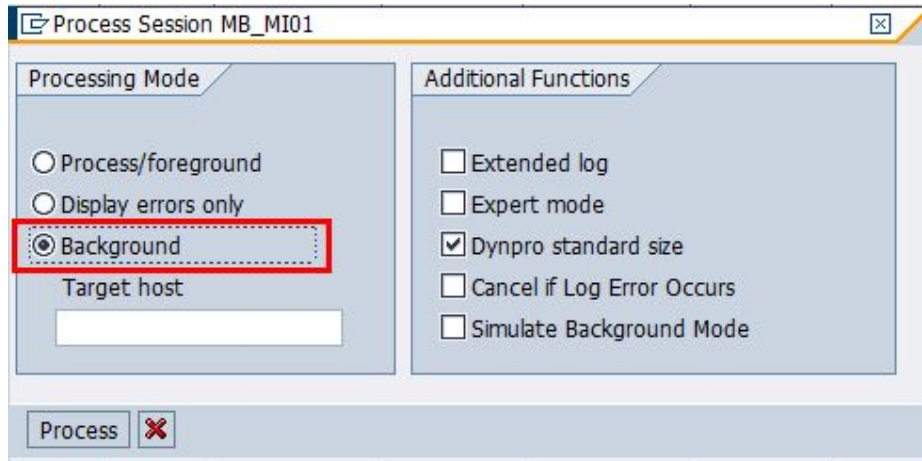
New Incorrect Processed In Process In Background Being Created Locked

Session name	Sta...	Created By	Date	Time	Creation Progr...	Lock Date	Authorizat.	Trans.			Screens	D...	Qu...
MB MI01		BIHALMAN	13.07.2011	20:08:58	RM07II31		BIHALMAN	1	0	0	6		11

Select the session you want to process and hit

 Process

Run the session with the processing mode: *Background*



Process Session MB\_MI01

**Processing Mode**

☐ Process/foreground

☐ Display errors only

☒ Background

Target host

**Additional Functions**

☐ Extended log

☐ Expert mode

☒ Dynpro standard size

☐ Cancel if Log Error Occurs

☐ Simulate Background Mode

Process

✓ 1 session(s) transferred to background processing

## Batch Input: Session Overview

**Batch Input: Session Overview**

Selection criteria  
Sess.:  From:  To:  Created by:

New Incorrect Processed In Process In Background Being Created Locked

Session name	Sta	Created By	Date	Time	Created	Progr	Lock Date	Authorizat.	Trans.	3	✓	Screens	D	Qu
MB_MI01	<input type="checkbox"/>	BTHALMAN	25.07.2011	13:09:21	RM07II31			BTHALMAN	1	0	0	4		11
MB_MI01	<input type="checkbox"/>	BTHALMAN	20.07.2011	16:56:30	RM07II31			BTHALMAN	1	0	0	3		11
MB_MI01	<input type="checkbox"/>	BTHALMAN	13.07.2011	20:13:27	RM07II31			BTHALMAN	1	0	0	61		11

1. Select the session

2. View the log

## Batch Input Log

**Batch Input Log for Session MB\_MI01**

Choose

Log attributes  
Name: MB\_MI01 Queue ID: 11072514053313767412 User: BTHALMAN  
Created On: 25.07.2011 TermSe ID: BDCLG331376741272735 ☐ Details

Time	Message	Transacti...	Index	Modul	Scr...	In...	T	M	M...
14:05:41	Session MB_MI01 is being processed by user BTHALMAN in mode E o...		0			0	S	00	300
14:05:41	Physical inventory document 100000130 created	MI01	1			0	S	M7	710
14:05:41	Batch input session deleted		2			0	A	00	381
14:05:41	Processing statistics		0			0	S	00	370
14:05:41	1 transactions read		0			0	S	00	363
14:05:41	1 transactions processed		0			0	S	00	364
14:05:41	0 transactions with errors		0			0	S	00	365
14:05:41	0 transactions deleted		0			0	S	00	366
14:05:41	Batch input processing ended		0			0	S	00	382

Inventory Document Information

The Inventory document has been created now.

#### 4.4.2 Print inventory document

After the Inventory Document has been created, you can print and distribute it (not with MOBISYS).

##### SAP Path:

Logistics ℳ Materials Management ℳ Physical Inventory ℳ Physical Inventory Document

##### Transaction:

MI21 – Print

**Print Physical Inventory Document**

Database Selection

Physical Inventory Document: 100000130 to

Fiscal Year: to

Plant: to

Storage Location: to

Planned Count Date: to

Physical Inventory Number: to

Phys. Inventory Ref.: to

Grouping Criterion

Material Group: to

Storage Bin: to

Status Selection for

☐ Phys. Inventory Documents

☐ Phys. Inventory Items

Setting

☐ Sort By Special Stock

Output Device:

☐ New Spool Request

☐ Expand Value-Only Mats

Sorting of Serial Numbers:

Enter Document Number

Plant : 8101  
Description : AD CEM Plant.  
Phys. inv. doc. : 100000130  
Created by : BTHALMAN  
Planned count date : 25.07.2011  
Phys. inv. reference :  
Phys. inv. no. :

Itm	Material	Batch	SLoc	Stor. bin	Stock type	Counted qty.	Un
001	30000057	ROLLER LINING COMPLETE ROLLER	G001	Warehouse	PC		
002	30000093	Spare part	G001	Warehouse	PC		

## 4.5 Physical Inventory Count

#### 4.5.1 Counting stocks

After the count has been performed, you must enter the results of the count on the physical inventory document.

In the next step, the count results will be entered into the system with reference to a physical inventory document,

##### SAP Path:

Logistics ℳ Materials Management ℳ Physical Inventory ℳ Inventory count

##### Transaction:

MI04 – Enter

**Enter Inventory Count: Initial Screen**

Phys. Inventory Doc. 100000130  
Fiscal Year  
Date  
Count Date 25.01.2011  
Other Information  
Variance in %

**Enter Inventory Count 100000130: Collect.Processing**

Physical Inventory History Set Zero Count Other Count

Plant 8101 AD CEM Plant.  
Stor. Loc. G001 General

Item	Material	Batch	Sales Value	Quantity	UnE	ZC
1	30000057			0	PC	<input type="checkbox"/>
	ROLLER LINING COMPLETE ROLLER		1		PC	
2	30000093			0	PC	<input type="checkbox"/>
	Spare part		1		PC	

Enter the counted quantities

If a quantity of zero was counted, set the ZC (zero count) indicator

## 4.6 Physical Inventory Analysis

### 4.6.1 Inventory Analysis / Recount / Posting

After the count has been entered into the system the differences can be changed (recount), missing counts can be entered and in the end, the differences will be posted.

#### SAP Path:

Logistics  Materials Management  Physical Inventory  Differences

#### Transaction:

MI20 – Difference List

List of Inventory Differences

Database Selection

Material

Plant

to

Storage Location

to

Batch

to

Physical Inventory Document

100000130

to

Physical Inventory Number

to

Status Sel. for

☐ Phys. Inventory Documents

☐ Phys. Inventory Items

List Scope

Special Stock

to

Fiscal Year

to

Count Date

to

Planned Count Date

to

Phys. Inventory Ref.

to

Reason for Inventory Diff.

to

Threshold Value

Display Options

Layout

List Display


☒ Single List

☐ Group by Plant and Storage Location

☐ Group by Physical Inventory Document

☐ ALV Tree Display

Enter the document number

Run the program with  .

Mark the items to change or to post and continue as described below:

**List of Inventory Differences**

Post Difference Change Count Enter Count List of Unposted Docs

PhysInvDoc	Item	Material	Batch	PLC	SLoc	Boo	quantity	Qty Counted	Difference qty	BUm	Difference amt.	Crcy	S
100000132	1	30000001	N	8	1	G001	7,000	2,000	5,000-	PC	102.722,32	EUR	
100000132	2	30000057		8	1	G001	0,000	10,000	10,000	PC	120.000,00	EUR	
100000132	3	30000093		8	1	G001	700,000	5,000	1.695,000-	PC	14.350,21	EUR	

**Post Inventory Difference: Initial Screen**

Selection Screen Other Difference

Phys. Inventory Doc. 100000132

Fiscal Year 2011

Date

Posting Date 25.07.2011

Other Information

Threshold Value

**Change Inventory Count 100000132 : Collect.Processing**

Physical Inventory History Other Count

Plant 8101 AD CEM Plant.

Stor. Loc. G001 General

Item	Material	Batch	Sales Value	Quantity	Unit	ZC
1	30000001	N		2	PC	
2	30000057			10	PC	
3	30000093			10	PC	
4	30000120			5	PC	

**Post Inventory Difference 100000132: Selection Screen**

Post... Physical Inventory History Other Difference

Plant 8101 AD CEM Plant.

Stor. Loc. G001 General

Item	Material	Batch	Difference qty	BUm	Difference Amnt.	Reas.
1	30000001	N		PC	102.722,32	2
2	30000057		1	PC	120.000,00	
3	30000093		1	PC	14.350,21	
4	30000120		1		0,00	

Enter the posting date

Enter the new quantities


Enter the reason for the inventory differences


Post the differences

4.6.2 MM / FI Documents

After the differences are posted, the MM- and FI-Documents are generated.

MM-Document (MB03)

 **Display Material Document 4900002042 : Overview**

 Details from Item    Material    Accounting Documents...


Posting Date  


Name

Items

Item	Quantity	EU	n	Material	Plnt	SLoc	Batch	Re	Mv	I	S	S
				BUn				Reserv.No.	Itm		FIs	
1	5			PC			30000001				702	-
				Motor 2500 kw								

FI-Document (FB03)

 **Display Document: Data Entry View**

  Display Currency     General Ledger View

Data Entry View

Document Number

Company Code

Fiscal Year

Document Date

Posting Date

Period

Reference

Cross-CC no.

Currency

Texts exist ☐

Ledger Group

C	Functional Area	BusA	TTY	Account	Description	Amount	Curr.	Group	Acct	TP	Tr.Prt	Order	OrGp	Profit Center	Ma
AD		1000	NA	1180000	Parts&Supplies	102.722,32	EUR	115400	1000				3050	8101AF001	30
	PRCO	1000		3209001	St. Var Maint. Mat	102.722,32	EUR	322150	1000				3050	8101AF001	30
						0,00	EUR								



## 5. Process Performance Indicators

For the PPI indicator point of view the indicator that are more affected are the ones highlight in green of the following list of Inventory management indicators

PPI notation	Functional definition	Priority	UoM	Business objective
Non-standard material movements [count]	<p>Number of non-standard material movements</p> <p>The categorization of the goods movement is completed and delivered as per the attached document.</p> <p>This is a combination of the input from the workstreams, a precaution principle was applied and the highest criticality was allocated in case of conflict.</p> <p>It includes as well the movements not identified by the workstreams but existing in the system in configuration and/or used in the movement extraction from 2012 available (to which the highest criticality was applied).</p> <p>Some arbitrage were done after review with the various team members in accordance with the best practices.</p>	1	#	Inventory management exceptions (inventory differences, scrapping, reversals, transfers) should be minimized

Note:

- *The Standard movement types (regular business process) are as following :*  
101, 102, 161, 162, 201, 202, 221, 222, 231, 241, 242, 251, 252, 261, 262, 291, 292, 301, 302, 303, 304, 305, 306, 309, 310, 311, 312, 313, 314, 315, 316, 321, 322, 323, 324, 325, 326, 341, 342, 343, 344, 351, 352, 411, 412, 541, 542, 543, 544, 601, 602, 631, 632, 633, 634, 641, 642, 643, 644, 647, 648, 653, 654, 655, 656, 703, 704, Z01, Z02
- *The Critical movement types (foreseen but monitoring required) are as following :*  
103, 105, 122, 511, 512, 531, 532, 551, 552, 553, 554, 555, 556, 701, 702
- *The Exceptional movement types (not foreseen but configured and not blocked by the system and/or used despite not foreseen) are as following :*  
141, 142, 232, 281, 282, 317, 318, 319, 320, 331, 332, 333, 334, 335, 336, 340, 349, 350, 413, 414, 415, 416, 441, 442, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 501, 502, 503, 504, 505, 506, 521, 522, 523, 524, 525, 526, 557, 558, 561, 562, 563, 564, 565, 566, 571, 572, 573, 574, 575, 576, 581, 582, 603, 604, 606, 621, 622, 646, 651, 661, 662, 671, 672, 6A5, 6A6, 6B5, 6B6, 6W5, 6W6, 707, 708, 711, 712, 713, 714, 715, 716, 717, 718, 721, 722, 731, 732

PPI notation	Functional definition	Priority	UoM	Business objective
<b>Slow moving stock (no consumption within last 365 days) [value ratio]</b>	Materials for which no goods movements were posted within the period of analysis This analysis is based on quantity managed material master records that have a positive stock quantity at the moment of analysis and no client or plant deletion indicator set. Slow or non moving stock is defined as materials for which no goods movements were posted within the period of analysis or the latest goods movement is more than 365 days ago.	1	%	Slow / non moving inventory PPI will help identifying inadequate inventory management / materials planning procedures. (eg: materials used in a maintenance process but not decreased from inventory in connection to a work order, materials stored but never used in any process). Slow / non moving inventory may result in write-offs and as a result, capital loss (not driven by the PPI but by LHARP process). Therefore, due to the impact on costs, unnecessary funds immobilization, slow moving stock should be limited as much as possible.
<b>MRP usage</b>	Nr of PCS03 & PCS04 in MRP vs total number of PCS03 & PCS04 It measures the ratio of purchase requisitions created through the MRP to the total of created purchase requisitions (for the PCS 03* and 04*).	2	%	
<b>Use of bar coding system</b>	Nr of WH activities w/ bar coding vs total material documents This measures the usage of the Bar Coding system: Goods Issue, Goods Receipt and physical inventory (for the PCS 03* and 04*)	2	%	Optimize the GI posting by using the tool and saving time avoiding manual tasks
<b>Reversal material movements</b>	Number of reversed material documents In a good process there should not be reversals of goods movements	2	%	Material movement reversals should be minimized
<b>Material inactive with pending open items (Count)</b>	Volume of material flagged for deletion or inactive with existing inventory To be detailed : Materials can be flagged for deletion but having existing stock registered and valued. The stock level is not allowed for transfer, sell, usage in production hence should be disposed.	tbd	#	To be detailed : The aim is to avoid managing inventory level of items that cannot be used for any business purpose and still need to be inventoried, physically handled on a regular basis.

## 6. Annexes

### 6.1 Transaction List

Transaction	Description
<b><i>Physical Inventory</i></b>	
MI01	Create Physical Inventory Document
MI02	Change Physical Inventory Document
MI03	Display Physical Inventory Document
MI04	Enter Inventory Count with Document
MI05	Change Inventory Count
MI06	Display Inventory Count
MI07	Process List of Differences
MI08	Create List of Differences with Doc.
MI09	Enter Inventory Count w/o Document
MI10	Create List of Differences w/o Doc.
MI11	Recount Physical Inventory Document
MI12	Display changes
MI20	Print List of Differences
MI21	Print physical inventory document
MI22	Display Phys. Inv. Docs. f. Material
MI23	Disp. Phys. Inv. Data for Material
MI24	Physical Inventory List
MI31	Batch Input: Create Phys. Inv. Doc.
<b><i>Stock levels</i></b>	
MMBE	Stock Overview
MB51	List of Material Documents
MB52	Display Stock List
MB5T	Display Stock in Transit
MB5B	Display Stocks for Posting Date
MB54	Display Consignment Stocks

MD04	Display Stock/ Requirement Situation
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**LafargeHolcim - European IT Services S.L.**

C/ Albasanz 14  
Madrid, Spain  
[info@lafargeholcim.com](mailto:info@lafargeholcim.com)  
[www.lafargeholcim.com](http://www.lafargeholcim.com)  
Phone +34 91.410.1412  
Fax +34 91.410.1450