Inventory & Warehouse Goods Movement
LOG-IM/WM-002
October 15, 2008

LaGOV

**Version 2.02**

Updated: 11/7/2008 8:58 AM

Agenda

- Logistics, Ground Rules & Introduction
- Workshop Objectives
- Project Overview/Timeline
- Business Process Review
  - ➢ SAP terms glossary
  - ➢ As Is Process Discussions
  - ➢ Process improvement opportunities
  - ➢ SAP concepts & functionality
  - ➢ Leading practices
  - ➢ Enterprise readiness challenges
- Action Items
- Questions

Logistics
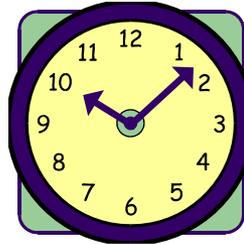
Before we get started ...
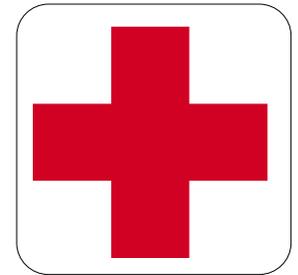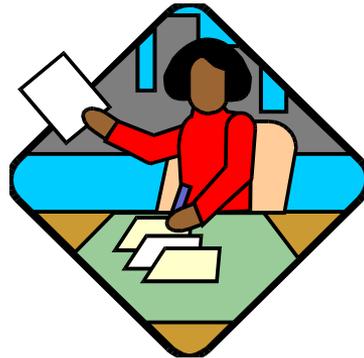
Ground Rules

- Has everybody signed in?
- Everybody participates – blueprint is not a spectator sport
- Silence means agreement
- Focus is key – please turn off cell phones and close laptops
- Challenge existing processes and mindsets
- Offer suggestions and ideas
- Think Enterprise
- Ask questions at any time
- One person at a time please
- Creativity, cooperation, and compromise

Introduction

- **Roles**
  - **Process Analyst and Functional Consultant (IBM)** – lead and facilitate the discussions and drive design decisions
  - **Documenter (State Employee)** – take detailed notes to support the formal meeting minutes to be sent by the Process Analyst to all participants for review and feedback
  - **Team Members (LaGov)** – provide additional support for process discussions, address key integration touch points
  - **Subject Matter Experts** – advise team members on the detailed business process and participate in the decisions required to design the future state business process

> **Round the Room Introductions**
> **Name**
> **Position**
> **Agency**

Blueprint Schedule - Tentative

- Please refer to the handout for the upcoming Blueprint Sessions

Blueprint Objectives

1. Review and discuss the current or <u>As-Is Business Processes</u>

2. Define <u>Master Data – Info Record, Source List, Quota Arrangement</u>

3. Define <u>Future</u> or <u>To-Be Business Processes</u>

4. Identify <u>Development Requirements</u>:
   - <u>F</u>orms
   - <u>R</u>eports
   - <u>I</u>nterfaces
   - <u>C</u>onversions
   - <u>E</u>nhancements
   - <u>W</u>orkflow

5. Understand and communicate any <u>Organizational Impact / Enterprise Readiness Challenges</u>

6. Gather system <u>Security Authorizations</u> and State-wide <u>Training Requirements</u>

TODAY'S WORKSHOP OBJECTIVES
## Topics to be Discussed

- **Goods Receipt**
- **Transfer options between storage locations within a plant**
- **Transfer options between plants**
- **Goods issue for Cost Center, Sales Order and Plant Maintenance Work Order**
- **Scrapping**
- **Status change - e.g. transfer between Unrestricted, Quality Inspection Stock and Blocked Stock**
- **Control data in Account Determination for Inventory Management**

AS-IS Process Flows

As-Is Goods Receipt Process

Perform QI testing in Lab

Receive items in the holding area

Verify Material against PO and Packing Slip

Return Items to Vendor

Enter info. In the current system and submit Aisle/Bin location to warehouse personal

Move Item from holding area to appropriate location

Send information to financial services for P.O. payments
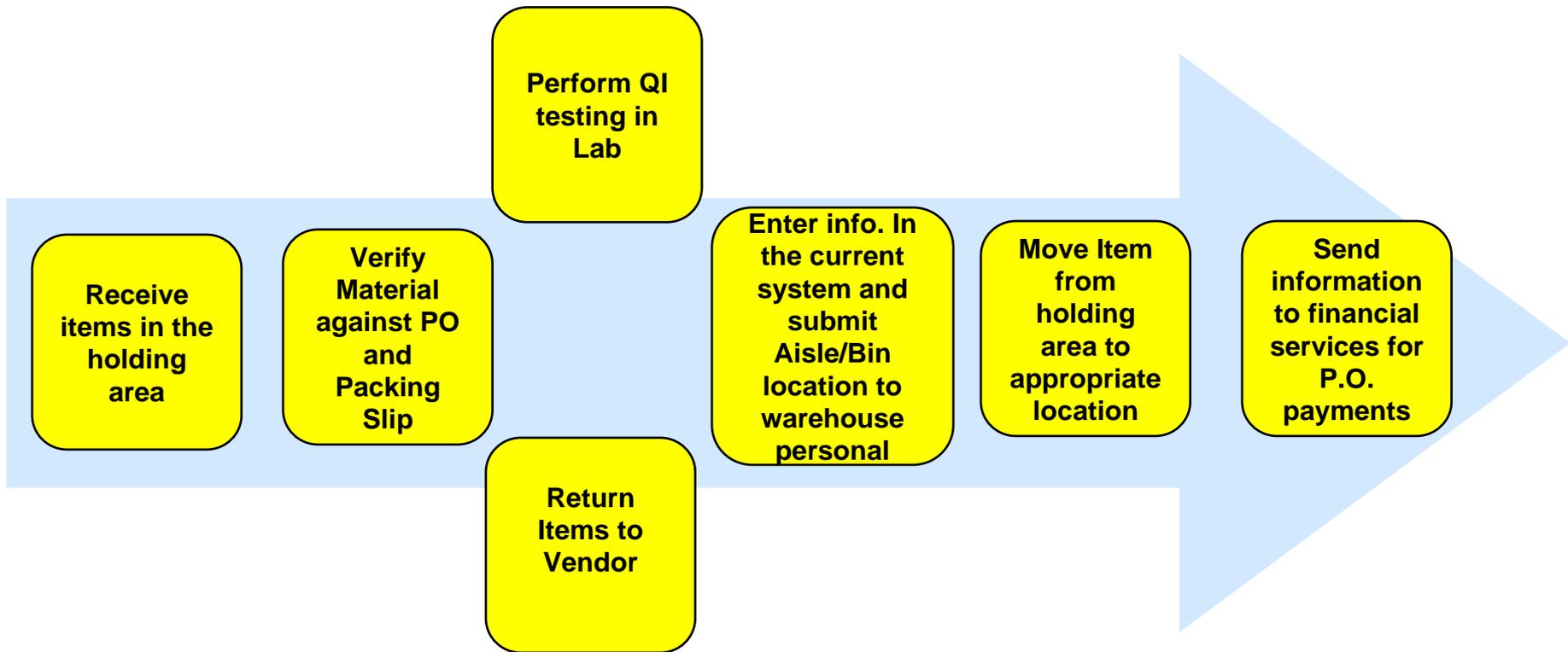
As-Is Goods Issue Process

Procure items from other warehouse

Receive item request by manual request form or email

Verify if the item is in the inventory

Create a pick list for the items to be issued

Move items from the aisle / bin to issue location

Issue goods and enter information in the system

Procure item through standard purchasing process
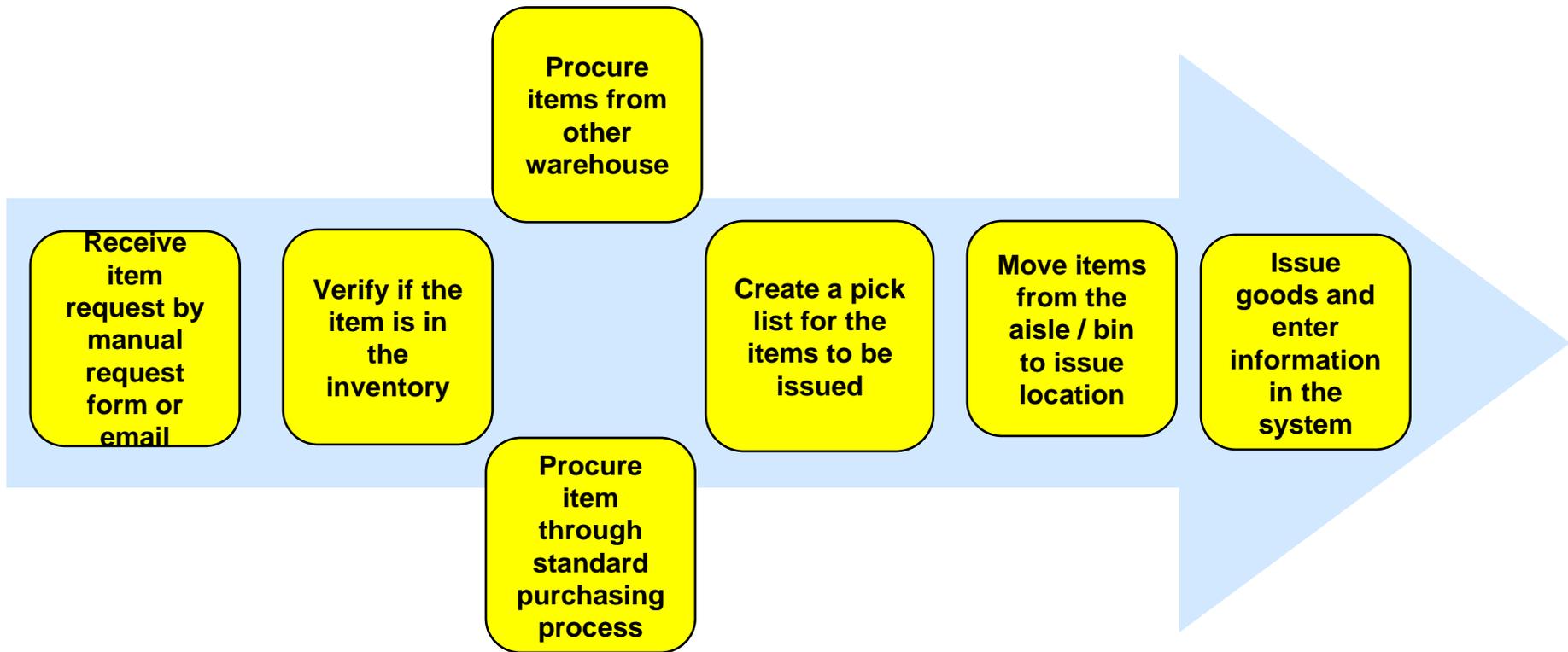
As-Is Obsolete/Scrap Process

```
Scrap to LPAA                                Deliver
                                             items to
                                             LPAA

Identify              Adjust      Remove
item that is          inventory   inventory
obsolete              in the      items from
                      system      stock

         Dispose of items                    Dispose of
                                             items
```
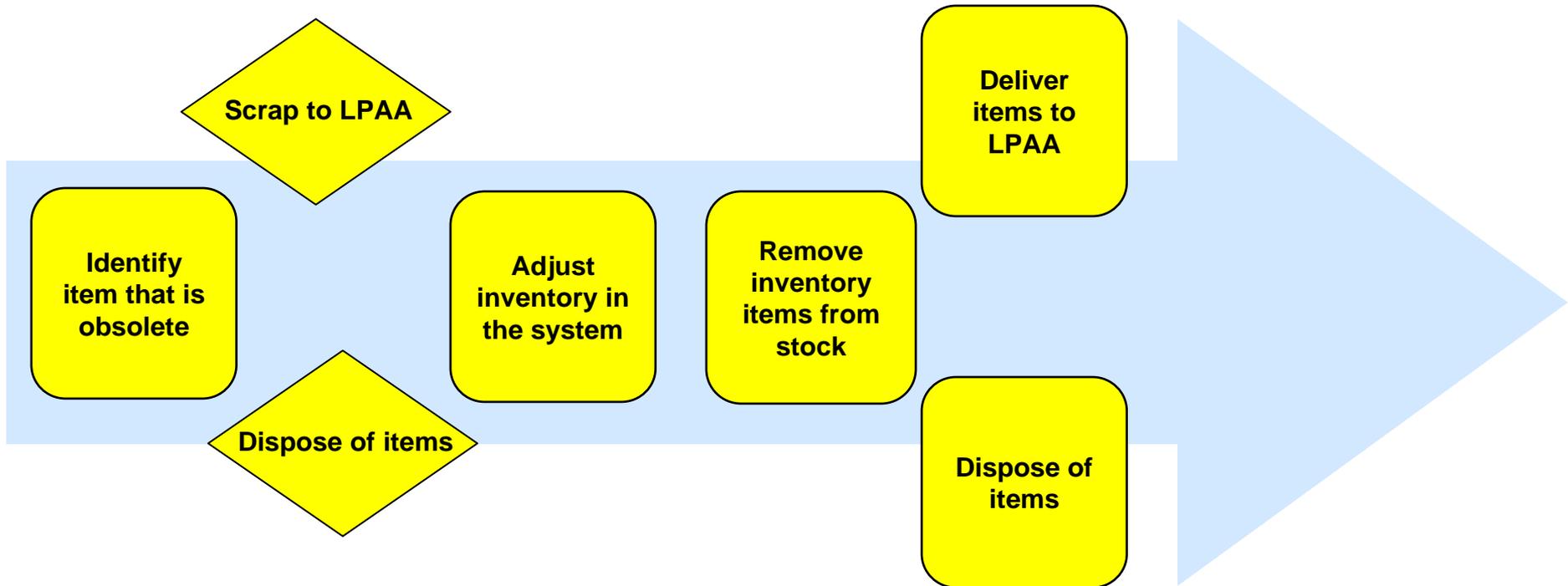
GLOSSARY

Glossary

➤ **Goods Movement Type** – When you enter a goods movement in the system, you must enter a movement type to differentiate between the various goods movements. A movement type is a three-digit identification key for a goods movement.

➤ **Goods Receipt** – Posts the receipt of goods from an external vendor or from production. A goods receipt leads to an increase in warehouse stock.

➤ **Goods issue** – Posts a material withdrawal, a material issue, or a shipment of goods to a customer. A goods issue leads to a reduction in warehouse stock.

➤ **Container List** - List of items contained inside the container (e.g. One box containing 10 pens and 5 markers).

➤ **Packing List** - List of goods and packaging (e.g. 15 cartons containing 1500 plain white envelopes).

➤ **Stock Transfer** – Removes materials from storage in one storage location and places them in another storage location. Stock transfers can occur either within one plant or between two plants or company codes.

➤ **Transfer Posting** – Usually refers to a change in a material's stock such as release from quality inspection or putting in blocked stock. In a transfer posting, the material can remain in its original storage location or be transferred.

➤ **Reservation** – Request to the warehouse to keep materials ready for withdrawal at a later date and for a certain purpose.

Glossary

➢ **Material Document** – In the Inventory Management system, when a goods movement is posted, a material document is generated that serves as proof of the movement and as a source of information for any applications that follow.

➢ **Accounting Document** – If the movement is relevant for Financial Accounting (that is, if it leads to an update of the G/L accounts), an accounting document is created parallel to the material document.

➢ **Batch** – The structure of the material master record allows you to manage inventory of a material by value at plant level or company code level and by quantity down to storage-location level. Under certain conditions, it is necessary to make further subdivisions for a material and manage quantities in batches.

➢ **Serial Number** – Identifies and differentiates individual items of material. This component supplements the material master record, which may contain all data for describing and managing a piece of material, but which does not enable you to differentiate between individual items of that material.

Glossary

➢ **Authorization** – Allowing a person, system, or module to have specified access limitations. An authorization specifies one or more permissible values for each of the authorization fields that are listed in an authorization object.

➢ **Background Processing** – To schedule a process to happen without coming onto the screen. Data can be processed in the background while other functions are being carried out in parallel on the screen. Some programs can be scheduled to run on weekends at a particular time. This is particularly useful for batch processing, performing back-up of data, etc.

➢ **Batch Processing –** The procedure to process large volumes of data at once. This processing can not be modified once processing has begun.

➢ **EDI** – Electronic Data Interchange. The way to transfer the data from one system to another system electronically.

➢ **IDOC** – Intermediate Document. Data container for data exchange between SAP systems or between SAP system and a Non-SAP system.

➢ **Job** – A continuous chain of programs using control commands.

➢ **Zero Stock Check –** Check or inventory procedure used to increase the level of accuracy in stock figures. If a storage bin becomes empty after a goods movement, the bin is checked as to whether it is really empty or not.

Glossary

➢ **Quarantined** – A status designated for batches found in the middle of a production process or quality check. A batch that is quarantined can not be released in Sales Documents or Purchase credit notes.

➢ **Shipment** – The grouping together of goods at a transportation planning point, which have been transported together from the respective points of departure.

➢ **Delivery** – Process for receiving, sending or transferring goods. The delivery can be either an inbound or an outbound delivery.

➢ **EAN** – European Article Number (EAN). The number category defines which check criteria an EAN of this category must satisfy.

➢ **Scrapping** – A posting in the inventory management system that is made if a material can no longer be used. This occurs, for example, if a material has deteriorated in quality or becomes obsolete due to having been kept in storage for too long. Both the intentional and unintentional destruction of a material also have to be posted in the system as "scrapping".

General MM Overview
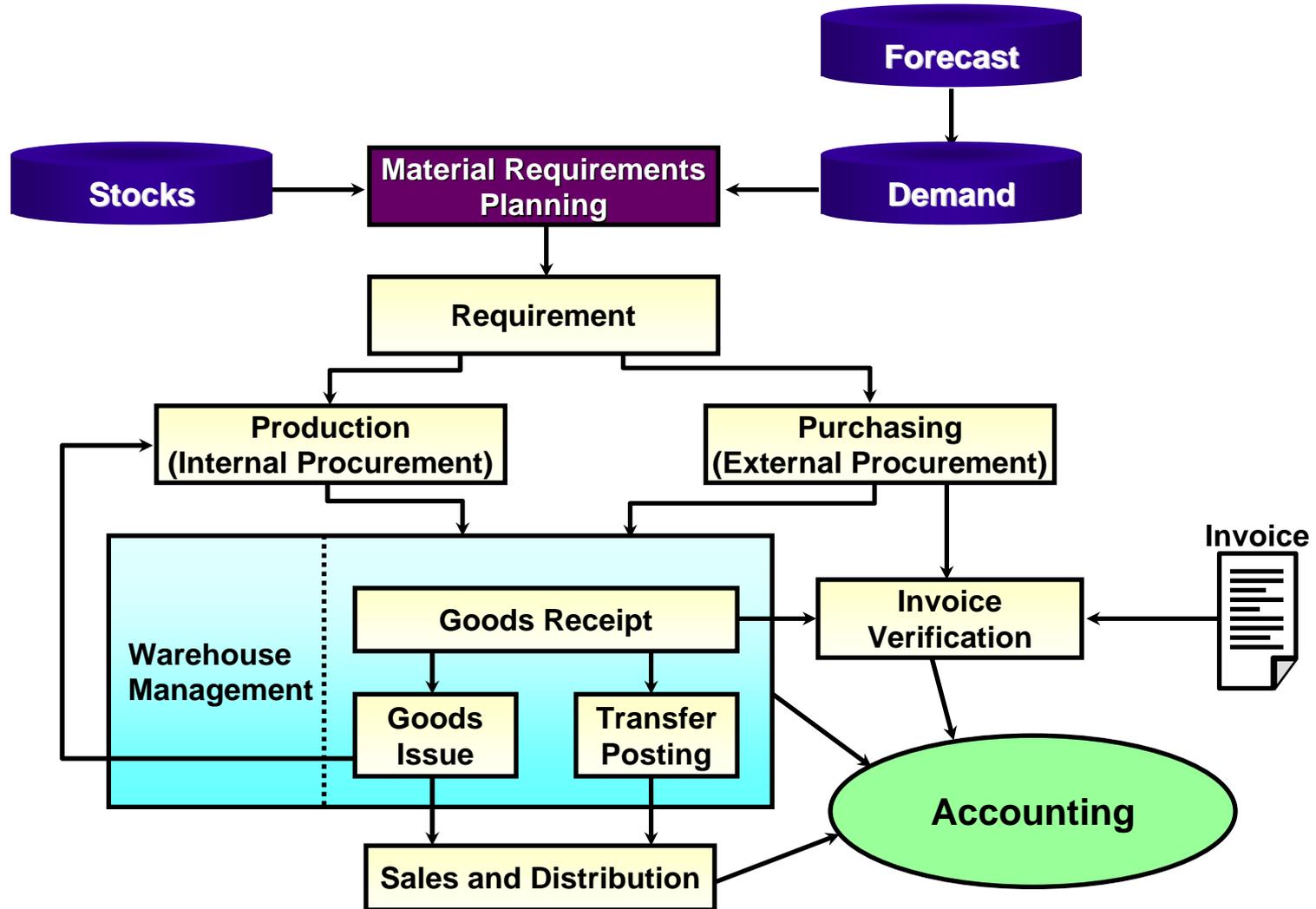
Inventory Management Only

# IM Goods Movement

```
Purch Ord        W/O ref.        Prod Ord
```

Delivery

Goods Receipt

Production

Inventory

Inventory

Transfer Posting

Goods Issue

Goods Issue

Consumption   Samples   Sales Order

IM Goods Issue

Material Document

------ ----
----- ----
-- ------
---- ------

Reservation

------ ----
----- ----
-- ------
---- ------

Production Order

------ ----
----- ----
-- ------
---- ------

BOM

------ ----
----- ----
-- ------
---- ------

Inventory Management

From Warehouse | **From Consignment**

Goods Issue

Cost Objects

Cost Center
Asset
Project
Sales Order

Scrap

Sampling
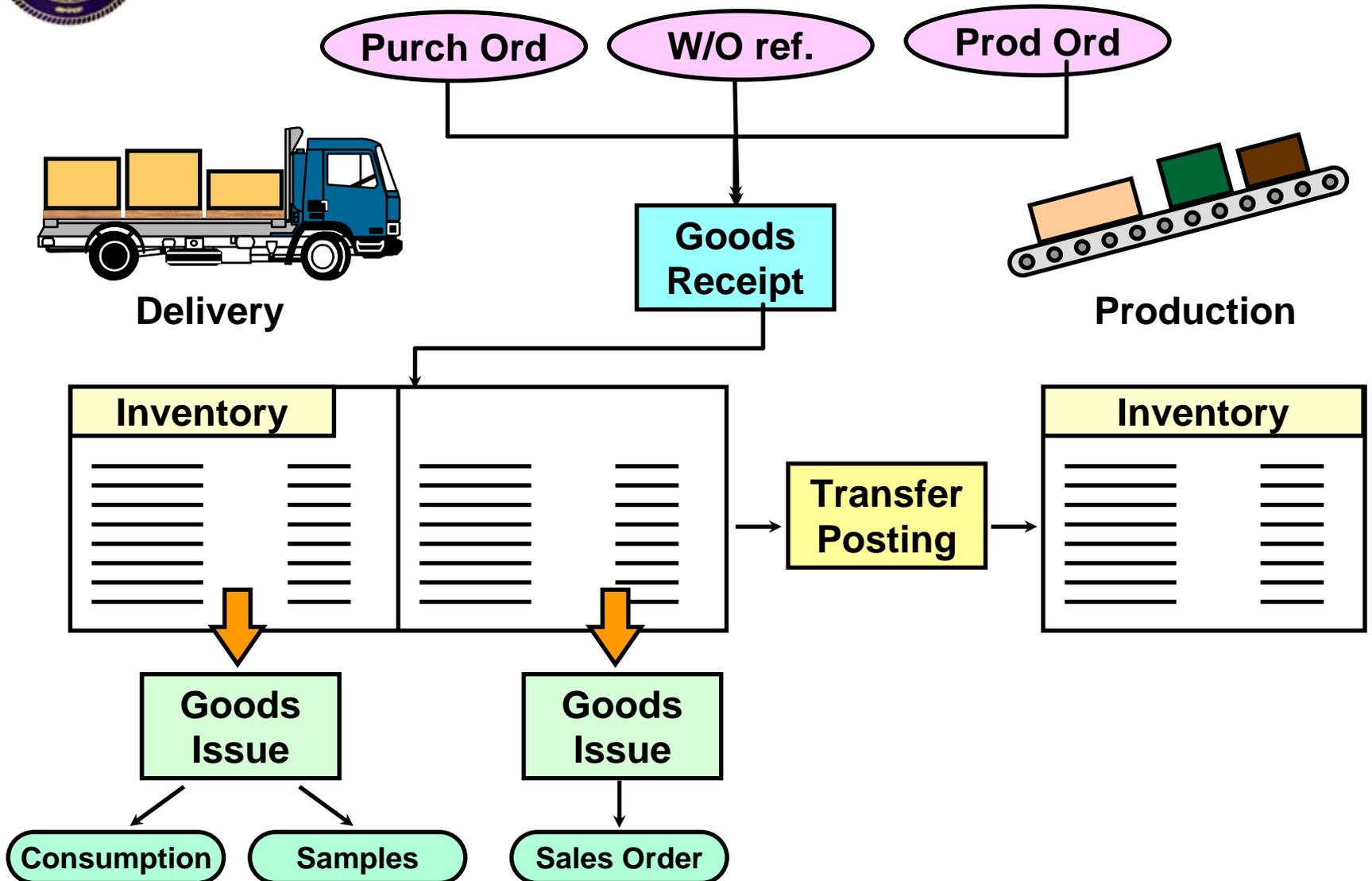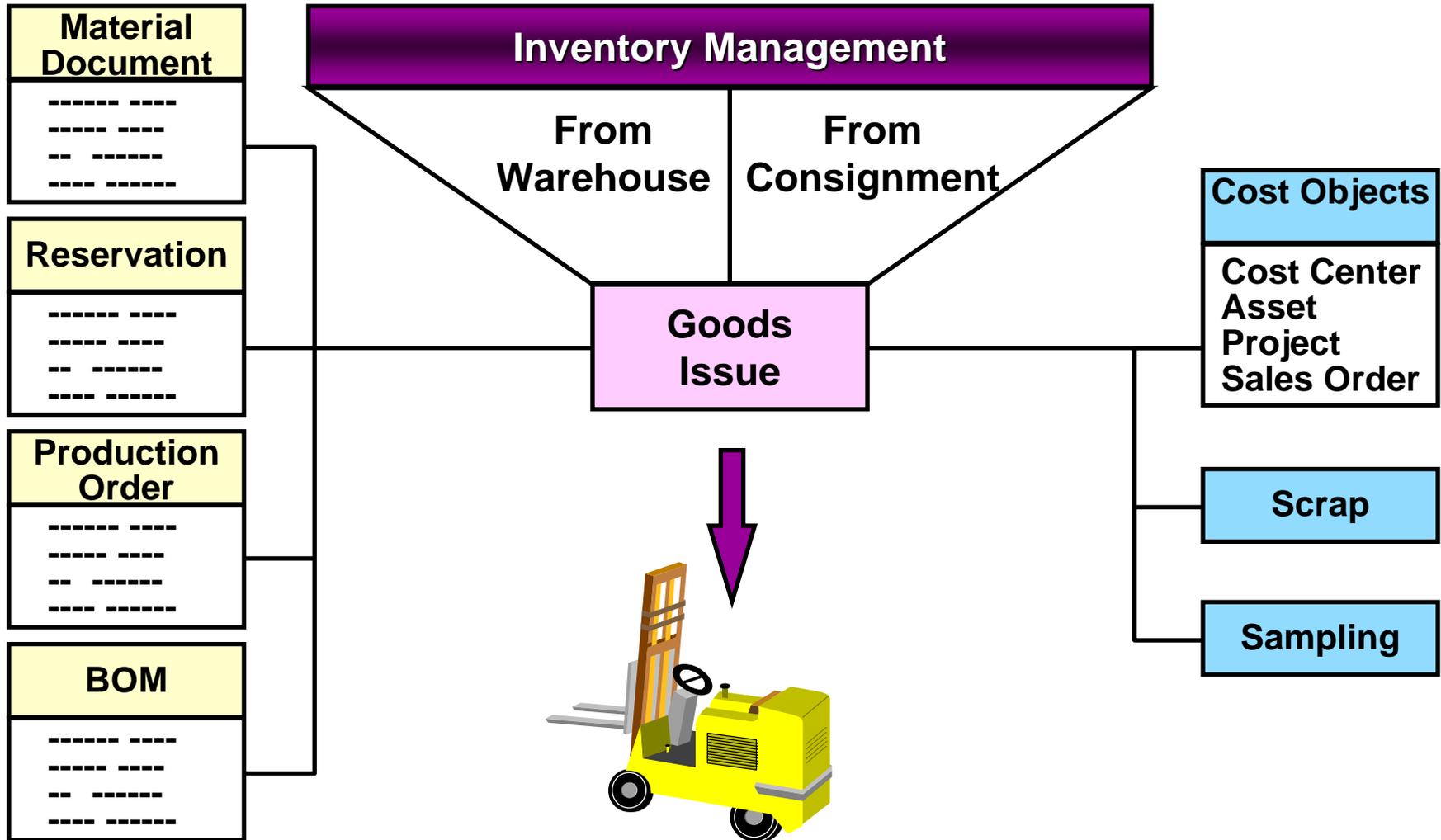
IM Transfers

Stock Transfers

Plant 1000 → **Plant 2000**

Stor. Loc. 1000 → **Stor. Loc. 2000**

Transfer Postings

Product 123 → **Product 789**

Quality Inspection → **Unrestricted Use**

**Consignment Stock** → **Stor. Loc. 1000**
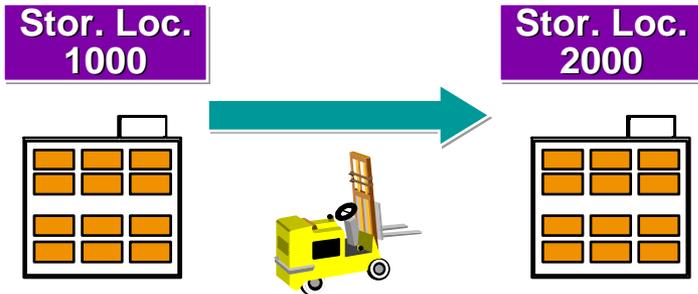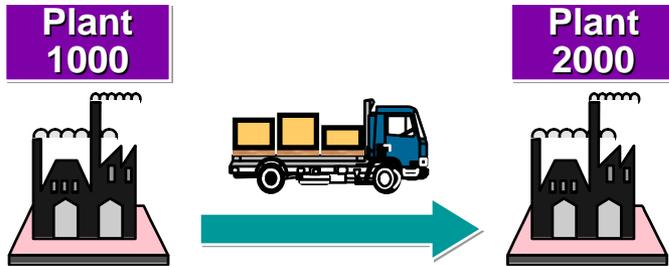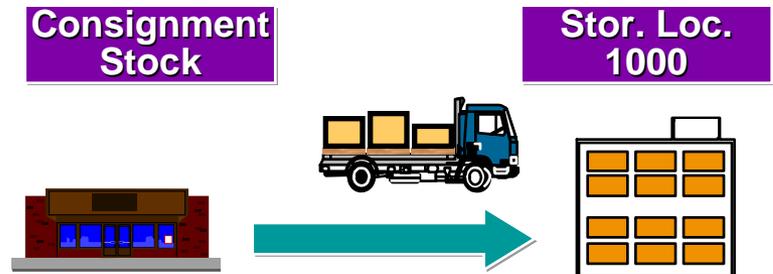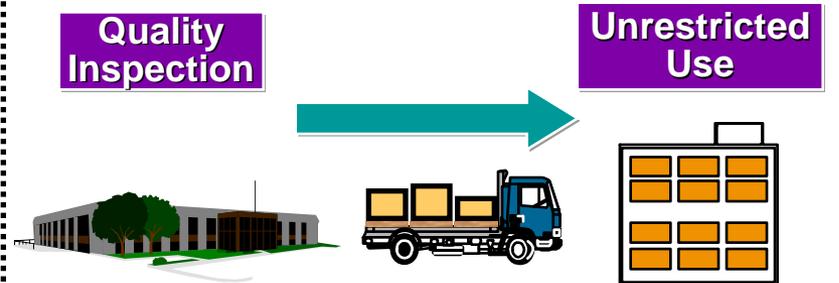
IM Goods Movement - Summary

- **The three types of Goods Movements are:**
  - ➢ Goods Receipt
  - ➢ Goods Issue
  - ➢ Transfers

- **When a goods movement is entered:**
  - ➢ Stock records are updated
  - ➢ Documents are created to record the event

# Documents for IM Goods Movements

Material Document

Movement Type

Accounting Document

```
      -----                  $
---- ---        --    +
-------         --    -
---------       --    +
--   ---        --    -

---- --   --
```
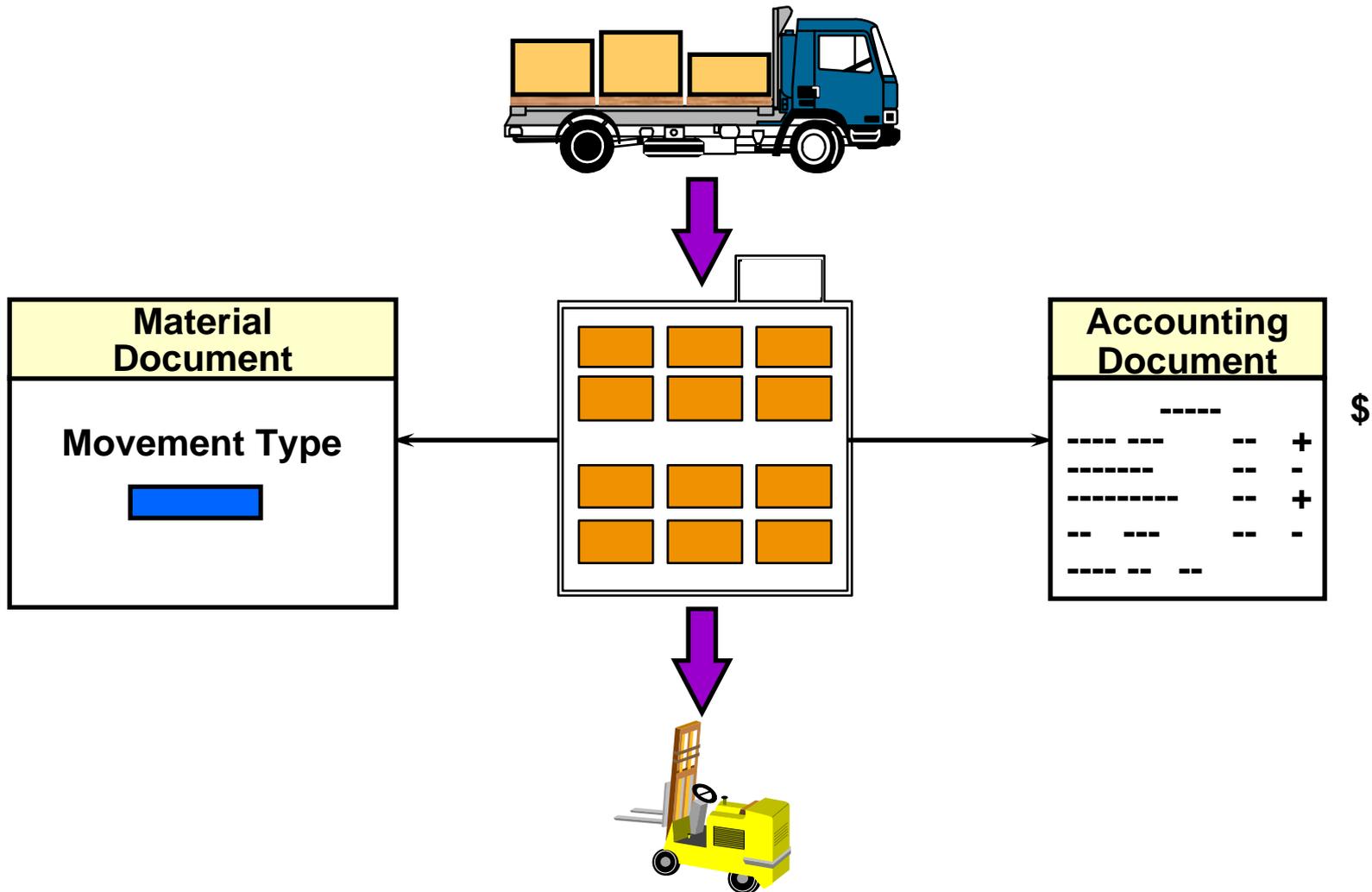
IM Material and Accounting Documents
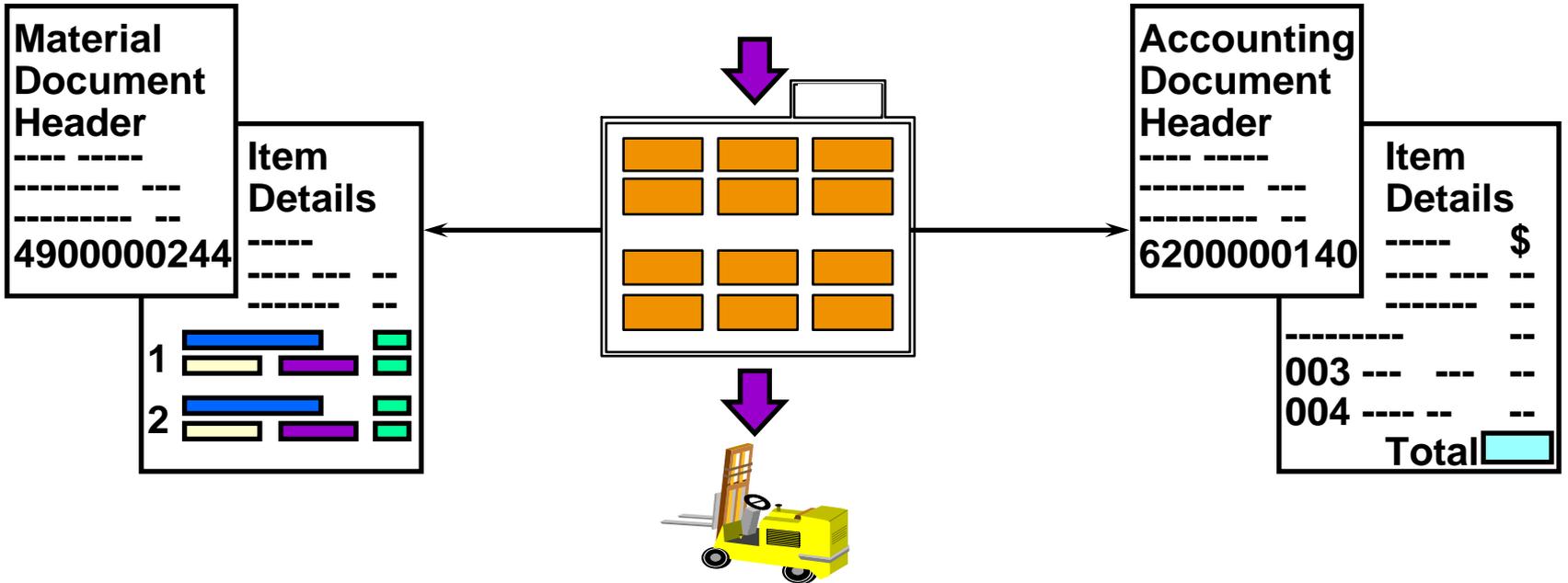
Material Document Header
---- -----
------- ---
-------- --
4900000244

Item Details

---- --- --
------- --

1
2

Accounting Document Header
---- -----
------- ---
-------- --
6200000140

Item Details
----- $
---- --- --
------- --
-------- --
003 --- --- --
004 ---- -- --
Total

Item	6200000140	
1	001 99 300000	40.00
	002 81 400000	-40.00
2	003 99 300000	5.00
	004 81 400000	- 5.00

Effects of an IM Goods Receipt Posting

Post Goods Receipt → **Material Document** → **Accounting Document** → **Goods Receipt Slip**

R-Mail / **Purchasing Group**

G/L Account / **Consumption account** / **Stock account**

Quantity / **Consumption Statistics** / **Stock Qty** / **Vendor Evaluation**

Purchase Orders / **History - Data**

MM/WM / **Transfer Order**

$ / **Cost Center Order**
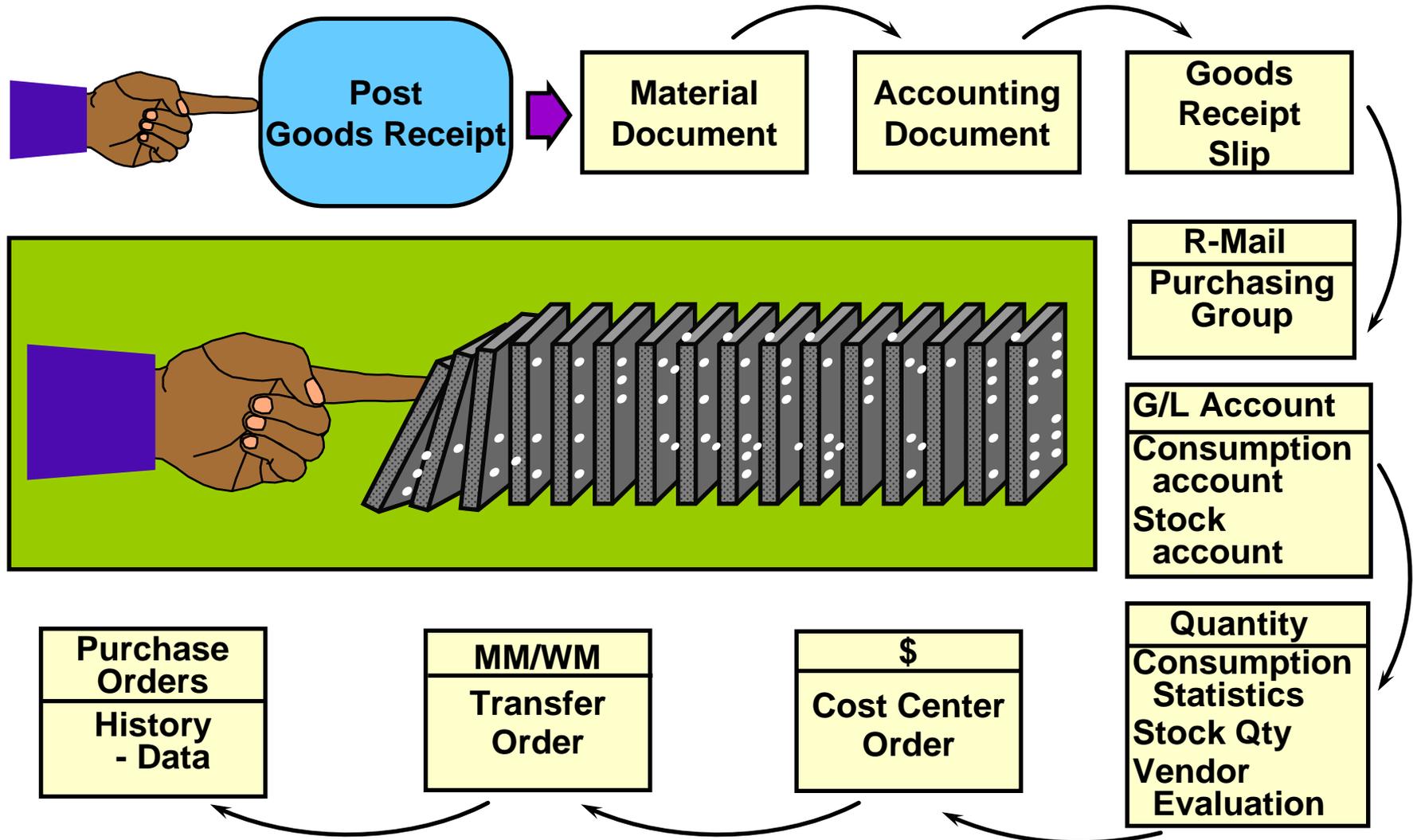
Purchase Order History

Order History for Purchase Order 4500000001 Item 10						
Category	**Document No.**	**Item**	**Movement Type**	**Posting Date**	**Quantity in OUM**	**Value**
GR	50000050	001	101	01/15/08	4 pcs.	$20
GR	50000051	001	101	01/17/08	2 pcs.	$10
Total Goods Receipts					**6 pcs.**	**$30**
IR	5100000000	001		01/18/08	6 pcs.	$30
Total Invoice Receipts					**6 pcs.**	**$30**

Category GR = effects of Goods Receipt
**Category IR = effects of Invoice Receipt**

IM Goods Receipt Document - Summary

- **Effects of a Goods Receipt posting include:**

  - ➢ Accounting document is created
  - ➢ Material document is created
  - ➢ Stock quantity is updated
  - ➢ G/L accounts are updated
  - ➢ Goods receipt slip can be printed (optional)
 - ➢ Purchasing data is updated (purchase order history)

Stock Types

Valuated Stock

Inventory

Non-Valuated Stock
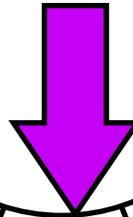
Unrestricted-Use Stock

Qty:

GR Blocked Stock

Qty:

Stock in Quality Inspect.

Qty:

Stock in Transfer

Qty:

Consignment Stock

Qty:

Blocked Stock

Qty:

IM Goods Movement and Stock in Quality Inspection
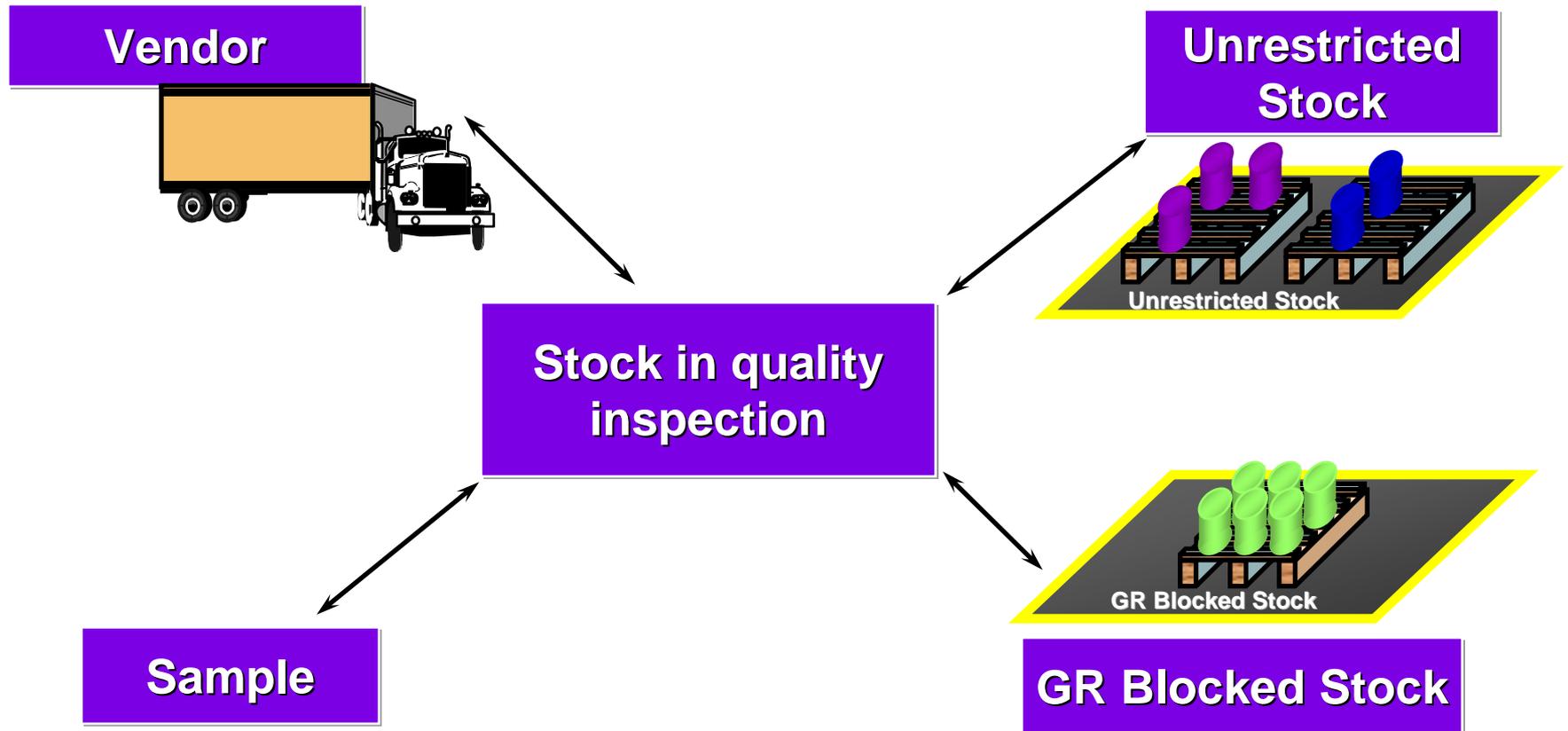
IM Goods Receipt into Quality Inspection

3 Places where the Quality Inspection Indicator can be set:

1 In the Material Master — **Material Master**

2 On the Purchase Order — **Purchase Order**

3 At Time of Goods Receipt — **Goods Receipt**
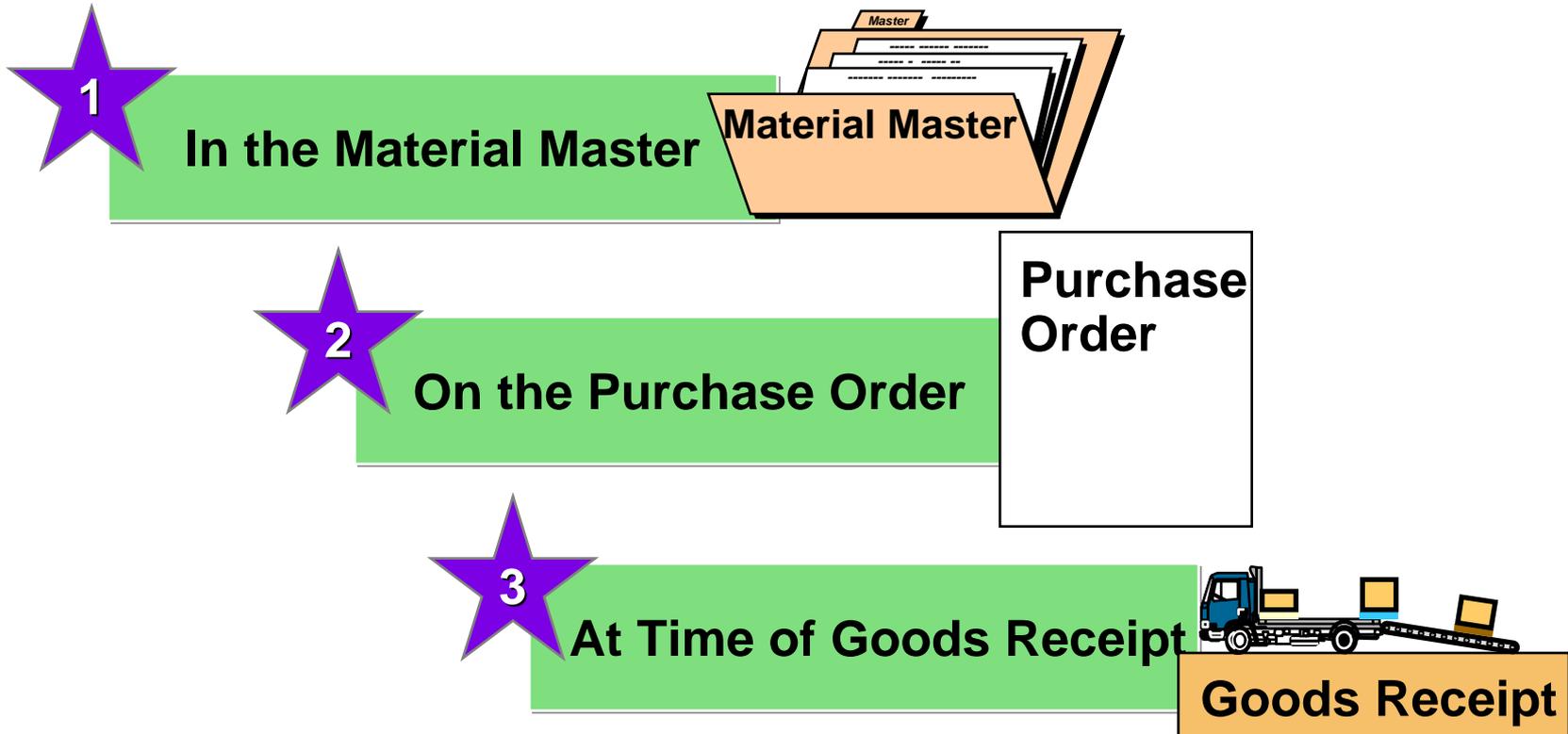
IM Reversal (Reversing Entry) and Return Delivery

Reversal due to an entry error

Goods Receipt
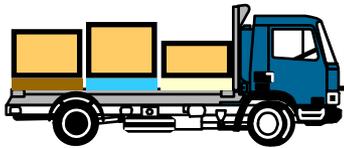
101 MvT
103 MvT

Wrong:
Location
Qty
PO #
Line #
etc

GR
102 MvT
104 MvT

Reason for MvT Optional

No Return Slip Printed

Items returned to a vendor

GR 105 MvT

Goods Receipt

101 MvT
103 MvT
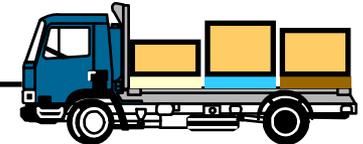
GR

122 MvT

Reason for MvT Mandatory
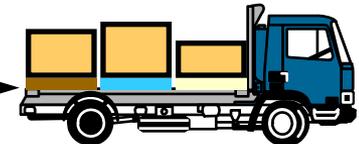
Return Slip Printed

IM Goods Receipt against a Purchase Order Assigned to an Account – No Inventory Update

Vendor

Purchase Order

1 computer

K | G/L
| CC

K = Cost Center

Goods Receipt

$

Cost Center

Plant 1000
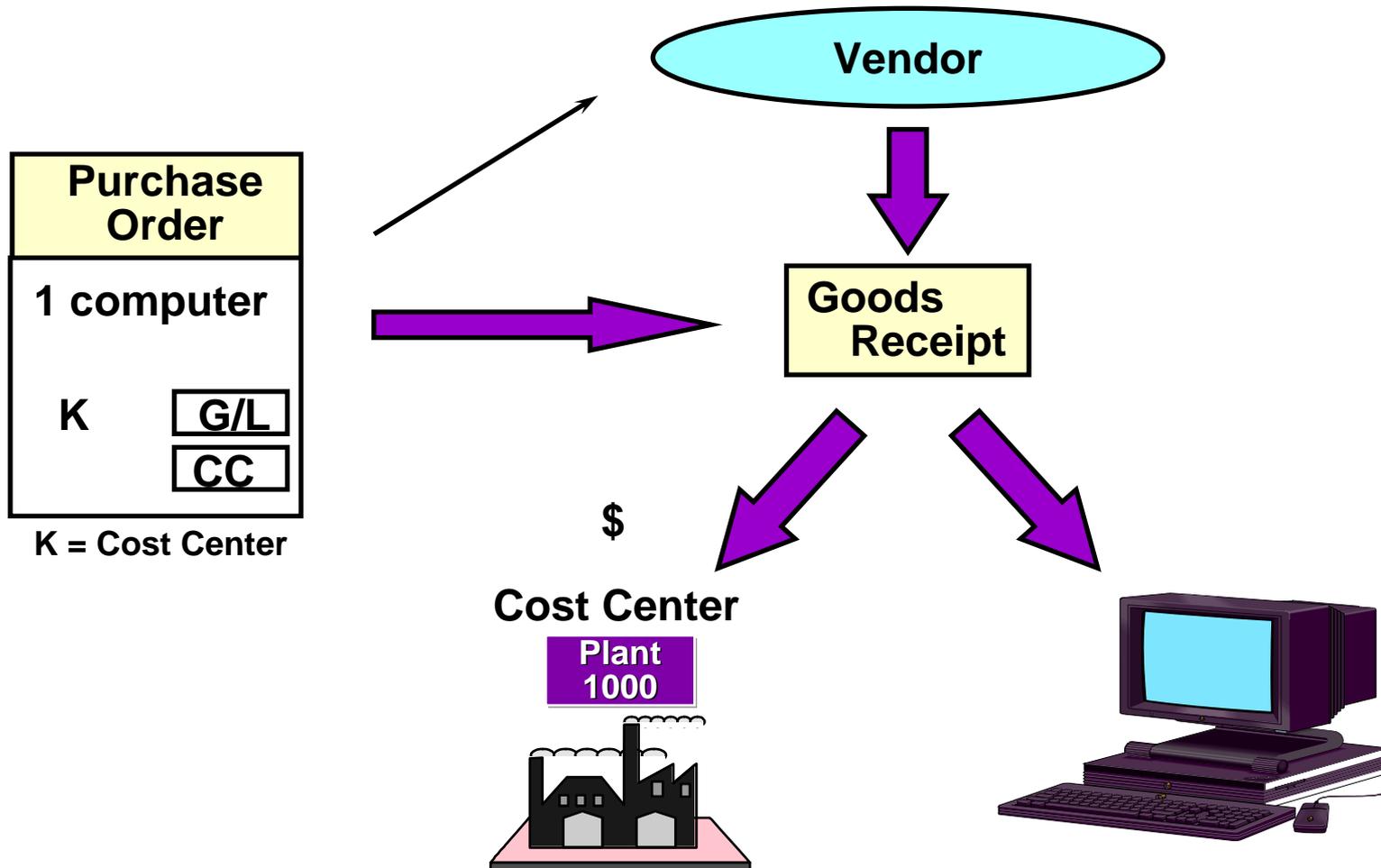
Setting the "Delivery Complete" Indicator

Can be set via one of the three options below:

Goods Receipt

Purchase Order

1 Automatically if full quantity received
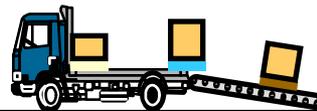
2 Manually at time of Goods Receipt

3 Manually in the Purchase Order

Under Delivery and Over Delivery Quantity Checks

Legend:
- Order Quantity
- Under Delivery Tolerance
- Over Delivery Tolerance
- Partial Delivery - Warning
- Over Delivery - Error

No messages within tolerances

Scale markings: 0 | | 200 | | 400 | | 600 | | 800 | | 1000 | |
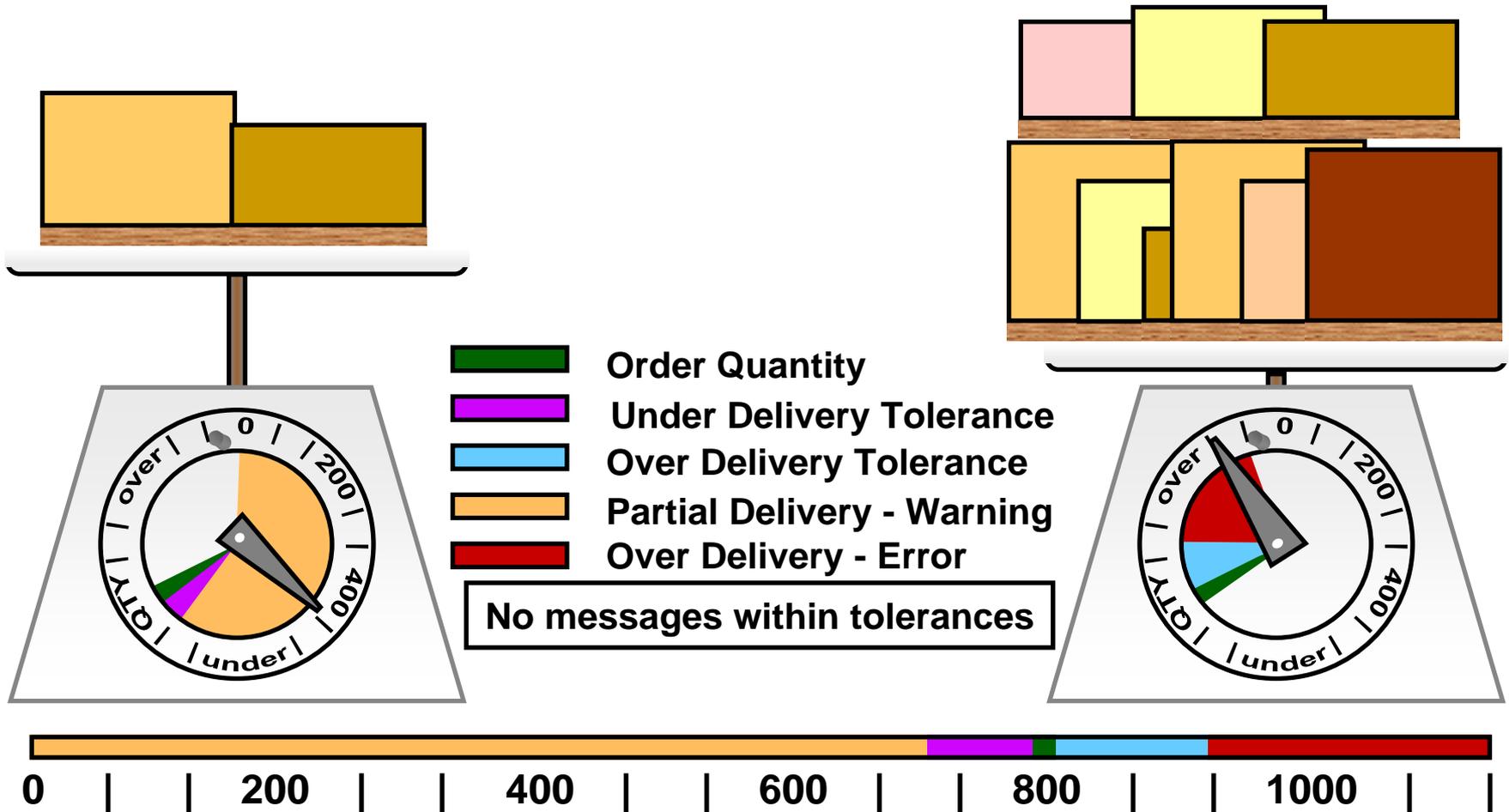
IM Goods Receipt - Summary

- A goods receipt into "GR Blocked Stock" is used when the goods are temporarily placed in a quarantine area before they are officially accepted. No valuation (and thus no accounting document) occurs.

- Posting to "blocked stock" is used to perform a small quality inspection on the goods before they are moved to unrestricted use. This "blocked stock" is valuated.

- A Reversal is used when a mistake was made in entering the movement. For example, the goods were received into the wrong storage location.

- A Return Delivery is used when we wish to return goods to the vendor. On this movement, the "reason for movement" is a mandatory entry and allows an analysis to be carried out.

IM Goods Receipt - Summary

- If a goods receipt is done for a purchase order with an account assignment, no inventory updating takes place

- A quality inspection indicator may be set in 3 different locations to ensure receipt into stock quality inspection
  - ➢ Material master
  - ➢ Purchase order
  - ➢ At time of goods receipt

- The Delivery Complete indicator specifies whether or not a further goods receipt is expected

- When you enter a GR item, the system compares the GR quantity with the open purchase order quantity to identify any over deliveries or under deliveries. You can enter under delivery and over delivery tolerances in the info record or directly in the purchase order.

- Valuation and Invoice Verification is based on the goods receipt quantity and the order unit price

Reservations

Planning

Of Withdrawal or Issue

Of Receipt

MRP

Reservations

```
Creation of a Reservation
    ├── Automatically
    │   ├── PM Order
    │   └── Stock Transfer
    └── Manually
        └── Need Determined
```
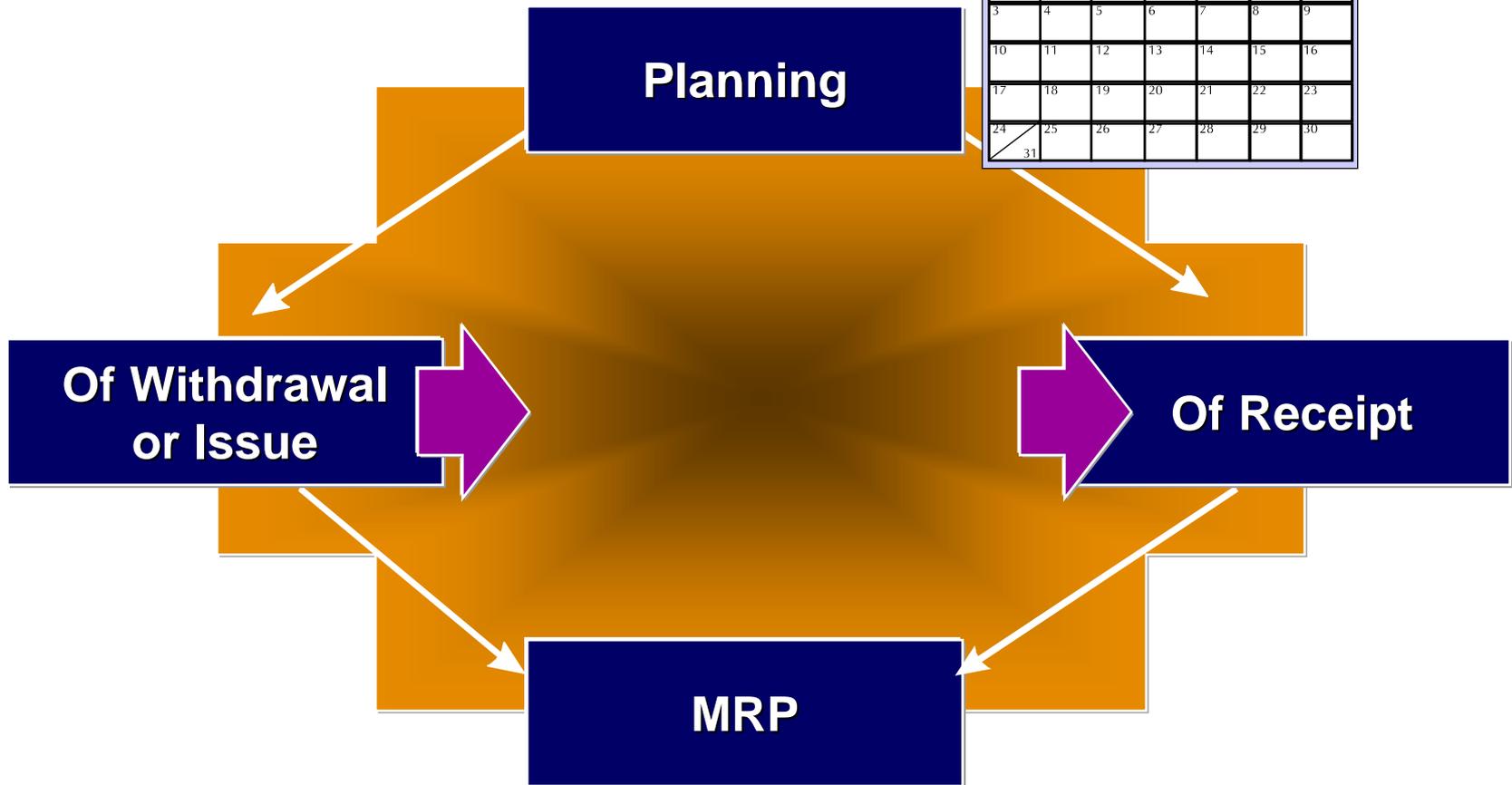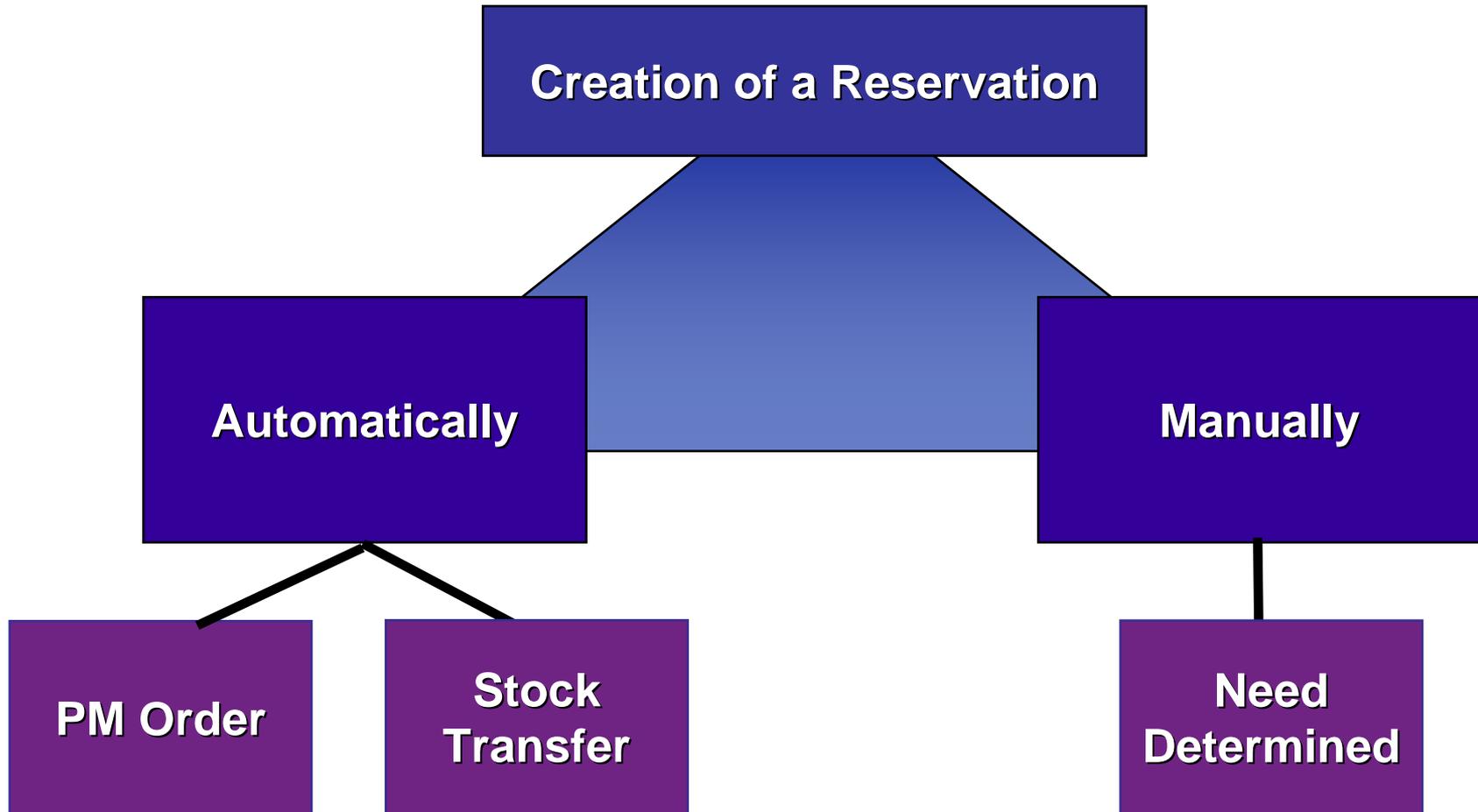
Reservations

- Reservations are requests to the warehouse to have materials ready for issue at a specific date

- Reservations can also be thought of as the pre-planning of a particular movement type

IM Goods Issue
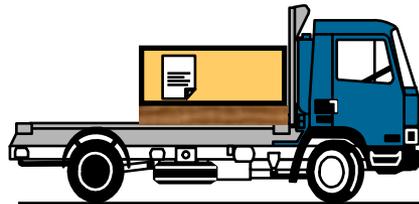
Goods Issue

From Warehouse

From Consignment Stock

Order

Cost Center

Sales Order

Sample

Scrap

Creating IM Goods Issues

Without Reference

Unplanned

Individual Entry

Collective Entry
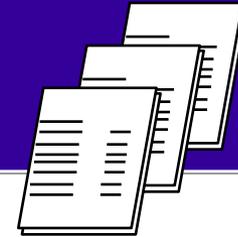
With Reference

Planned

To Material Document

For Reservation

Effects of an IM Goods Issue

Material

Reservation

Accounting Document

Material Document

Posting of Goods Issue

Stock quantity Consumption statistics ...

Point of Consumption: Cost center Order ...

G/L accounts: Stock account Consumption acct. ...
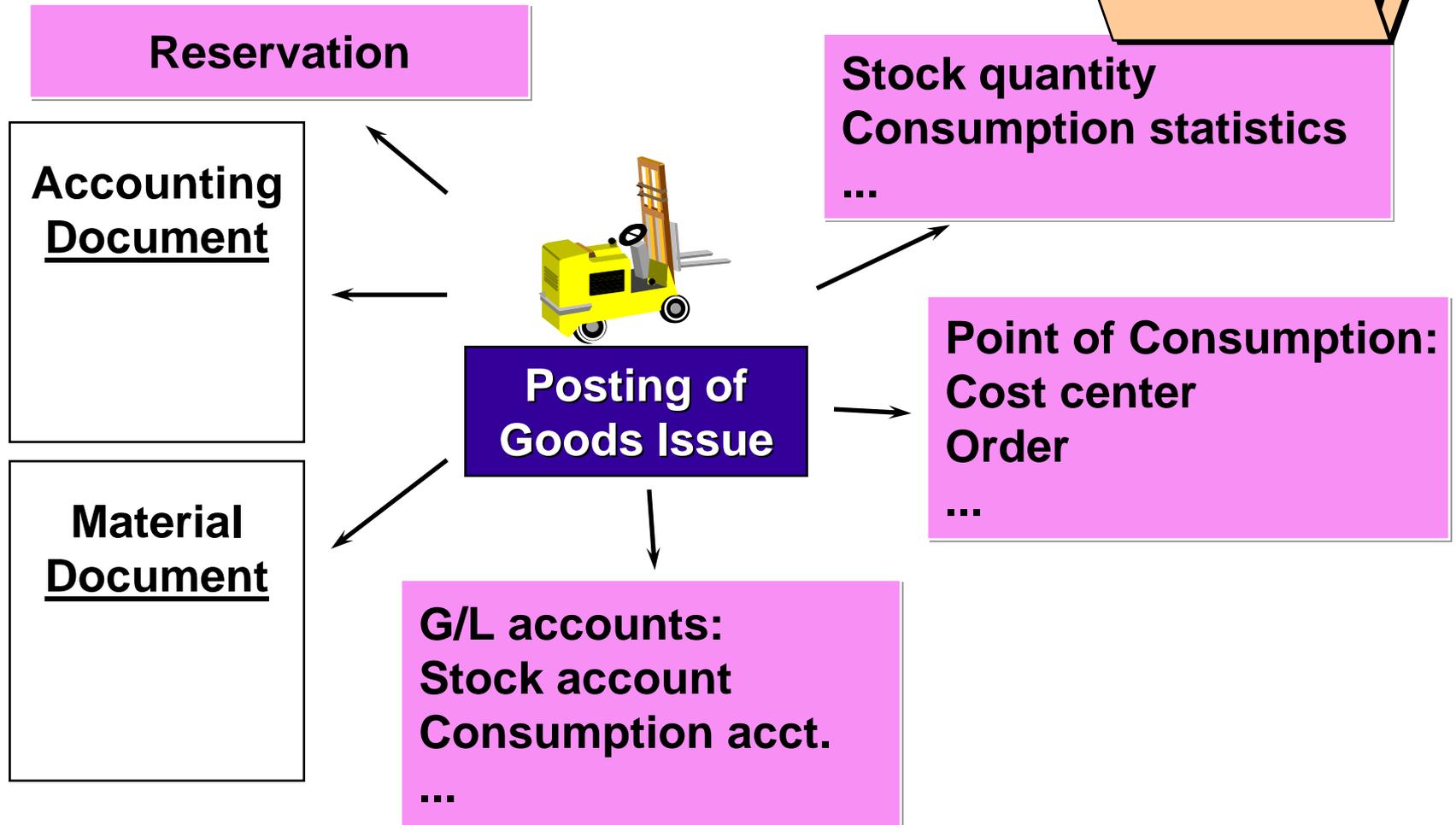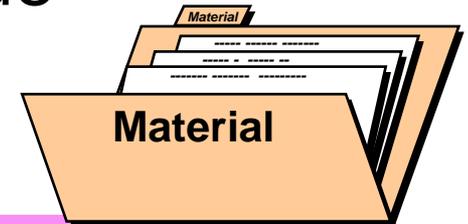
IM Goods Issue - Summary

- Effects of a Goods Issue include:
    - Accounting document is created
    - Material document is created
    - Stock quantity is updated
    - G/L accounts are updated
    - Reservation is updated (if applicable)
    - Point of consumption is updated (if applicable) - cost center, etc.
- Goods Issues can be either planned or unplanned. Examples of planned goods issues include: delivery to customer, return delivery to vendor, or reservations. Examples of unplanned goods issues include issues to scrap or drawing of a sample.
- Goods Issues can be created via individual entry or collective entry. Goods Issues can also be created with reference to a material document or a material reservation.

Transfers

**Physical Movement
i.e. Stock Transfer**

Storage Location 1000

Storage Location 2000

**Logical Movement
i.e. Transfer Posting**

In Quality Inspection

Unrestricted Use

Quality Inspection

Unrestricted Use
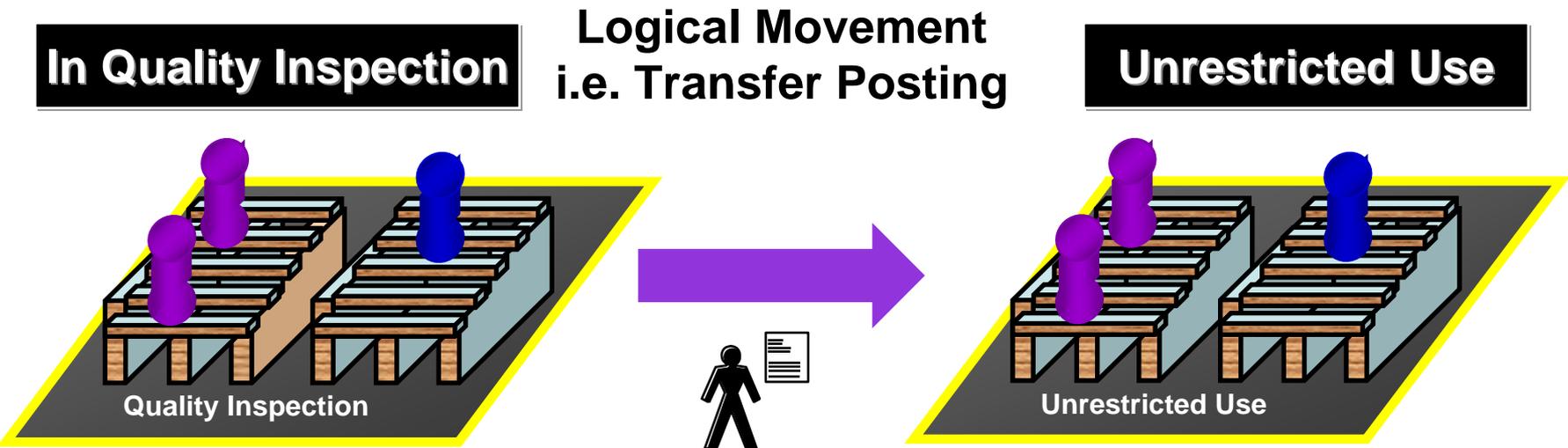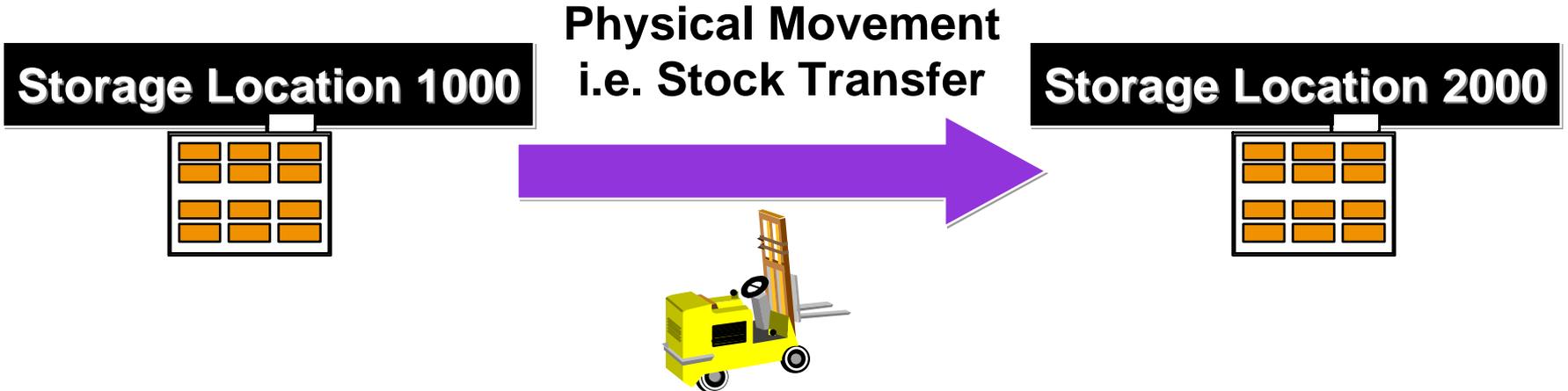
Physical Stock Transfer

Plant 1000
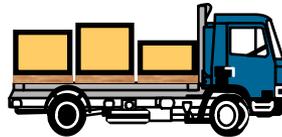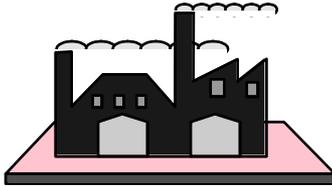
Plant 2000
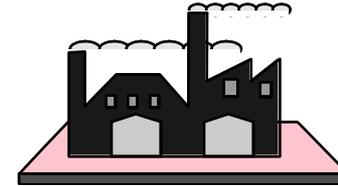
Stor. Loc. 1000
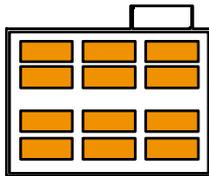
Stor. Loc. 2000
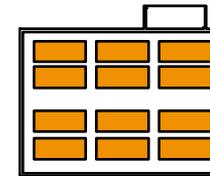
Stock Transfer from
Storage Location to Storage Location
Two-Step Procedure

Stor. Loc. 1000

Stor. Loc. 2000

MvT 313

MvT 315

Stock in Transfer Bucket

Unrestricted Stock

Unrestricted Stock
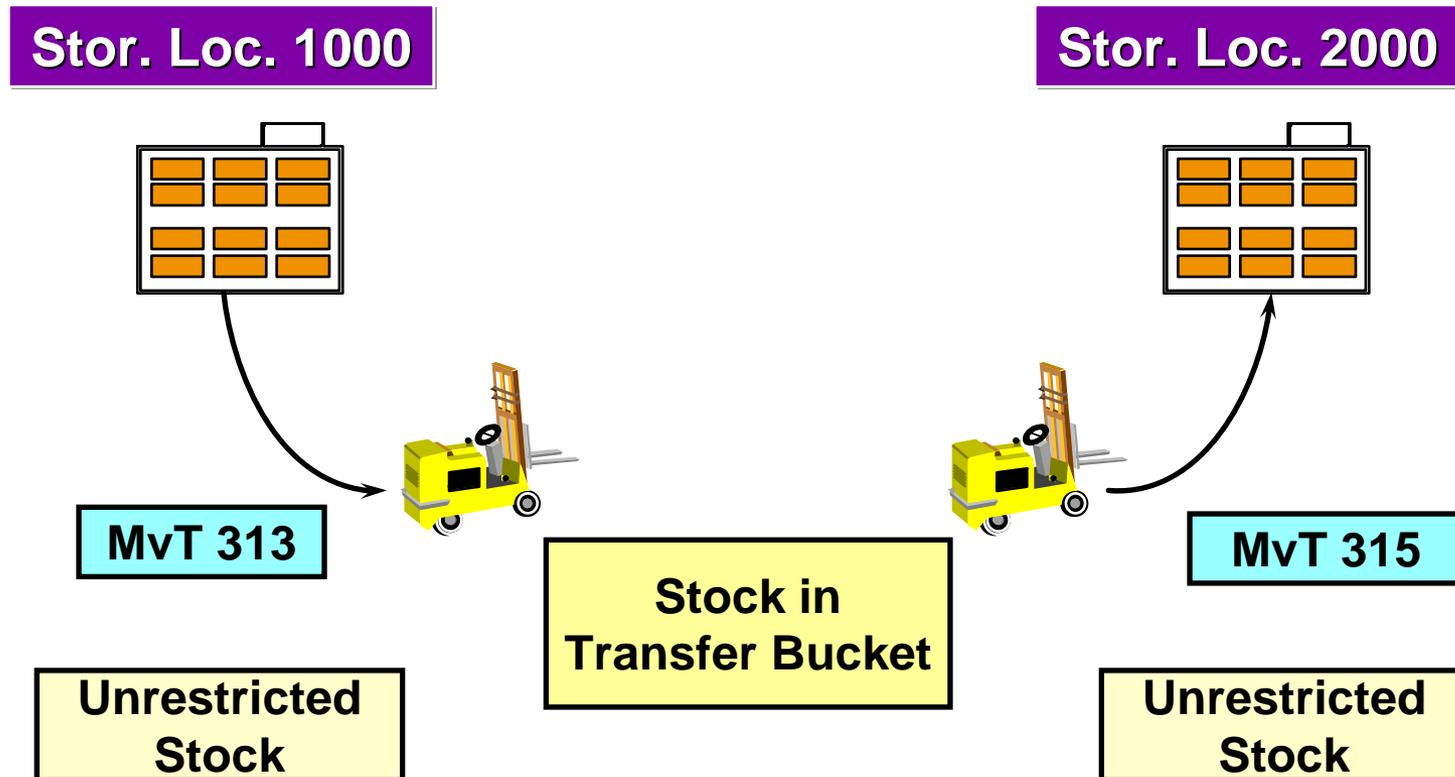
Stock Transfer from Plant to Plant
Two-Step Procedure

Plant 1000

Plant 2000

MvT 303

MvT 305

Stock in Transfer bucket

Unrestricted Stock

Unrestricted Stock
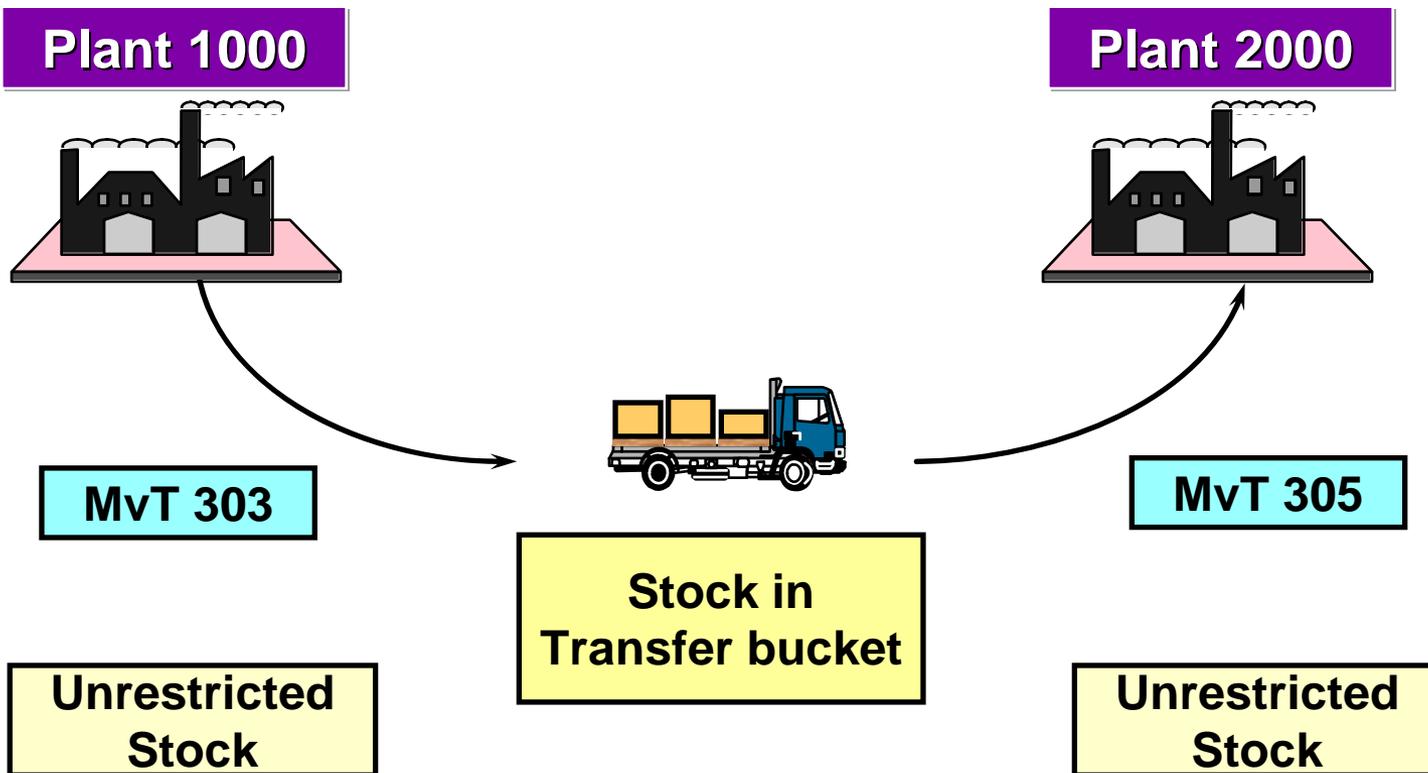
Stock Transfer
Material to Material
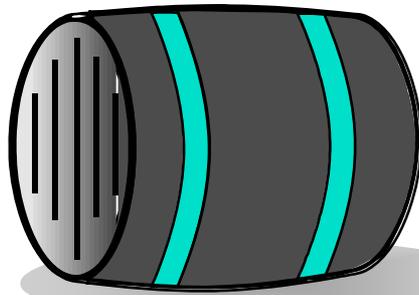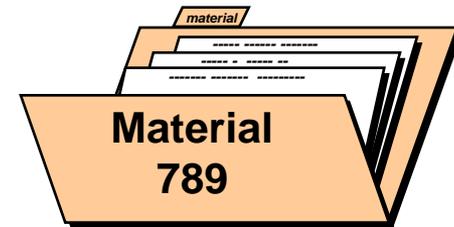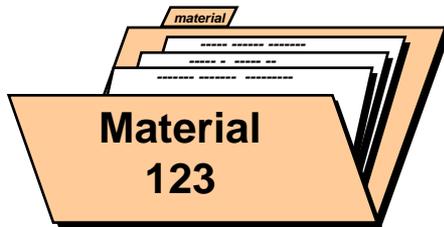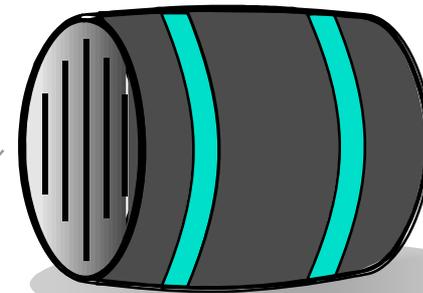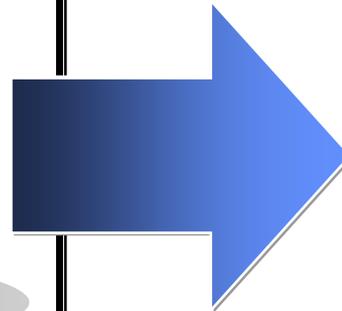
Transfers - Summary

- **Physical stock transfer** - occurs at two different levels:
  - ➢ Plant to plant
  - ➢ Storage location to storage location

- **One-step vs. two-step stock transfer**

- **Transfer posting** – i.e. from Quality Inspection to Unrestricted use

- **Material to material transfer** - used when the characteristics of two different materials are the same and you want to consolidate into one material number

Standard IM Movement Types
(See handout for complete listing)

MvT	Movement Type Text
101	GR goods receipt
102	GR for PO reversal
103	GR into blocked stck
104	GR to blocked rev.
105	GR from blocked stck
106	GR from blocked rev.
121	GR subseq. adjustm.
122	RE return to vendor
123	RE rtrn vendor rev.
124	GR rtrn blocked stck
125	GR rtn blkd stck rev

T156LHT.xls

Account Determination

- **Valuation Class**
  - ➢ Used to influence the allocation of a material to a group of G/L accounts in Automatic Account Assignment Process
  - ➢ Is established on Accounting view of the material master at the plant level
  - ➢ Is driven by material type

❖ **Integration between Inventory Management and Financial Accounting**

Inventory Management and Warehouse Management

Integration

Movement Types
Overview

- Inventory Management (IM) is the most important component that is linked to WM. Most activities that take place within WM are initiated in IM. The IM component communicates with WM through interim storage types.

- When a goods receipt is processed in IM and is posted to a WM-managed storage location, the quantity is automatically posted to an interim storage area (i.e. goods receipt area). When this happens, a quant is created in a storage bin in the interim storage area. Afterwards, WM posts the goods to a storage bin in the warehouse. This second step can take place automatically. This increases the total stock quantity in both IM and WM.

Movement Types
Overview

- When a goods issue is processed, the system posts a quantity to an interim storage area (goods issue area or shipping zone). This time, however, a quant with a negative quantity is created since the IM posting reduces the total stock quantity.

- It is through the interim storage areas that the stock quantities remain constant in both IM and WM. The total sum of the stock of all the WM storage areas for a warehouse number, both physical and logical, should always be identical to the sum of the stock in the IM storage location.

PROCESSES & SCENARIOS

- Truck Unloading

- Goods Receipt

- Putaway

- Cross Dock Non Stocked

- Quality Inspection, Breakage and Obsolete Scrapping

- Goods Issue

Truck Unloading

Receipt of goods onto the loading dock

- Requirements
  - ➢ Assignment of truck to unloading area or door
  - ➢ Visual check of product received

Truck Unloading


```
┌──────────────┐      ┌──────────────────┐        ╱◇╲                        ⬡
│ Truck Arrives│─────▶│ Verify Delivery  │──────▶ ╱Accept╲──── No ──▶ Refuse
│              │      │ with PO/STO      │        ╲      ╱            Delivery
└──────────────┘      └──────────────────┘         ╲◇╱
                                                     │
                                                    Yes
                                                     │
                                                     ▼
┌────────────────┐                          ┌──────────────┐
│ Manual Check of│◀─────────────────────────│ Unload Truck │
│ quantity/Label/│                          └──────────────┘
│ Damage         │
└────────────────┘
         │
         ▼
       ╱◇╲                    ┌──────────────────┐
      ╱All ╲──── No ────────▶ │ Copy             │
      ╲ok? ╱                  │ Documentation    │
       ╲◇╱                    │ Highlight errors │
        │                     │ Sign             │
       Yes                    └──────────────────┘
        │
        ▼
┌────────────────┐   ┌──────────────┐   ┌──────────────┐
│ Document Signed│──▶│ Truck Leaves │──▶│ Un-receipted │
│ OK             │   └──────────────┘   │ stock on     │
└────────────────┘                      │ unloading dock│
                                        └──────────────┘
```
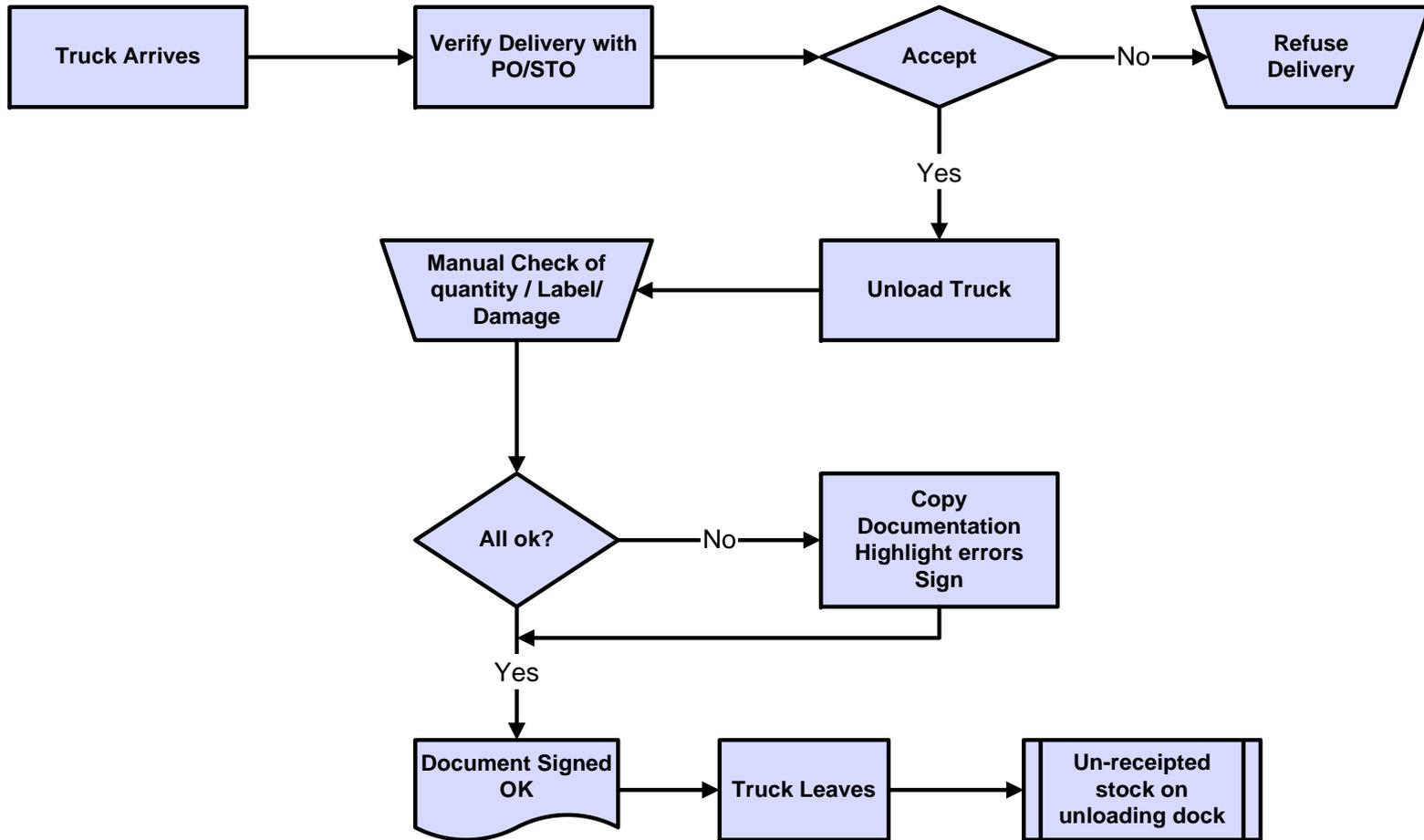
WM Goods Receipt

- **Transacting the Goods Receipt includes:**

  ➢ Quality Inspection

  ➢ Transfer Order Creation

WM Goods Receipt
(Scenario 1)

- **Requirements**
  - Book goods receipts with reference to PO
  - Scan barcode
  - Quality Inspection (QI) materials follow same goods receipt process, QI flag passed to WM so that QI materials can be identified in bins

- **Optional Information**
  - Barcodes provided by external site or upon receipt
  - Product flagged for QI in purchase order, etc.

WM Goods Receipt
(Scenario 2)

- **Requirements**
  - ➢ Automatically putaway T/O creation upon goods receipt. Goods receipt can be split into multiple T/Os or remain together for single putaway. System to propose destination bin and quantity based on material master data (Storage Type).
  - ➢ Ability to place non-standard pallet quantities into storage. This can be a manual process.
  - ➢ More than one user can putaway stock at any time

- **Optional Information**
  - ➢ Each product can have a standard pallet quantity (master data)
  - ➢ Product received in non-standard packaging may be repackaged whenever permitted

WM Goods Receipt

- **Example**

  - ➢ Standard pallet quantity = 10
  - ➢ Goods receipt for 2 pallets with quantities 7 PC and 6 PC
  - ➢ System proposes putaway for 1 pallet of 10 PC and a pallet of 3 PC
  - ➢ Exceptions will be handled by a manual process

WM Goods Receipt

- Optional Barcode scanning

  - ➤ EAN pallet label – unique EAN indicating material number and quantity

  - ➤ EAN label provided by manufacturing plant or vendor

  - ➤ Standard pallet quantities by product

  - ➤ Define RF transactions with material EAN, quantity, and destination bin

WM Goods Receipt
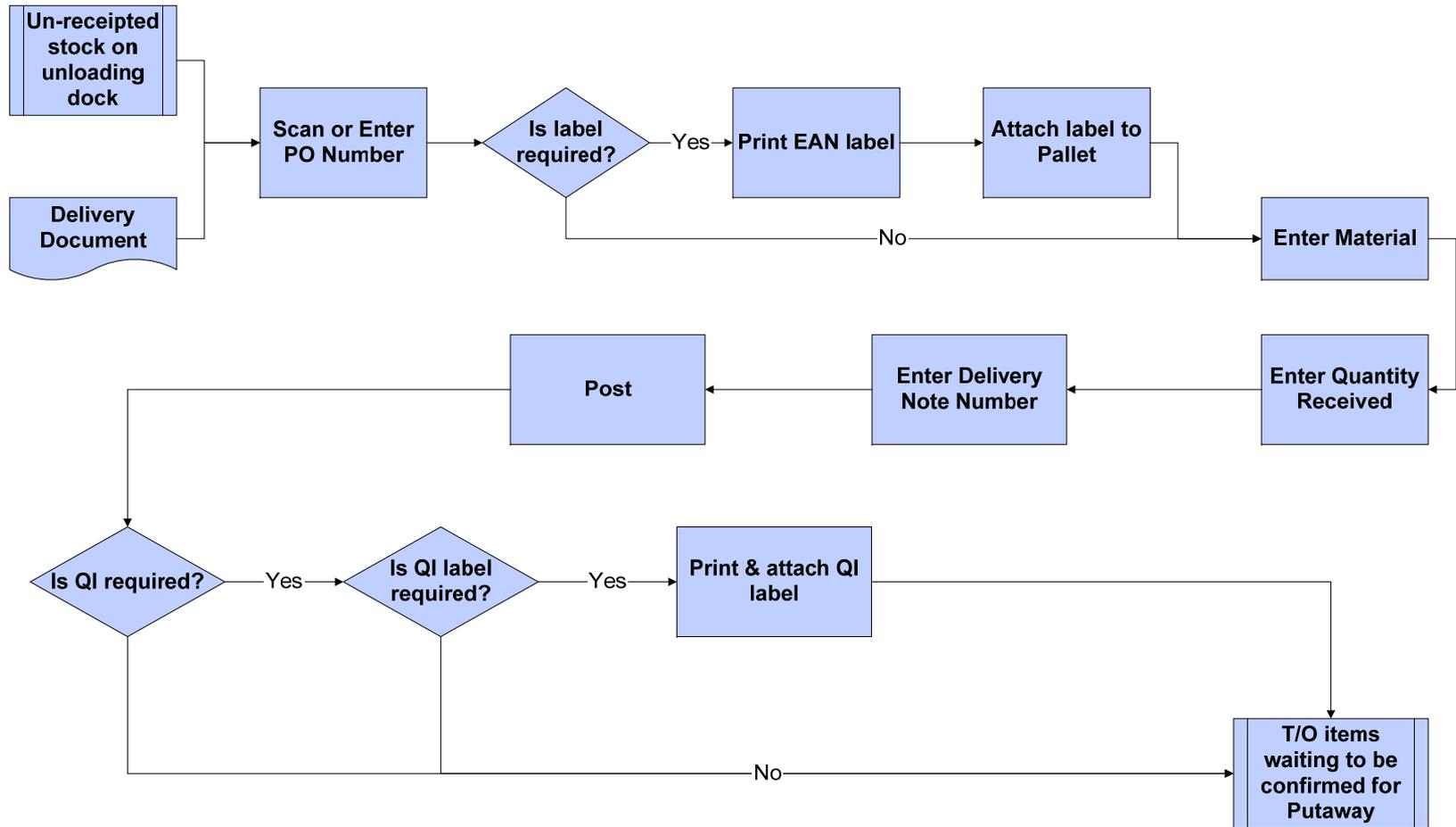
Goods Receipt (IM / WM)
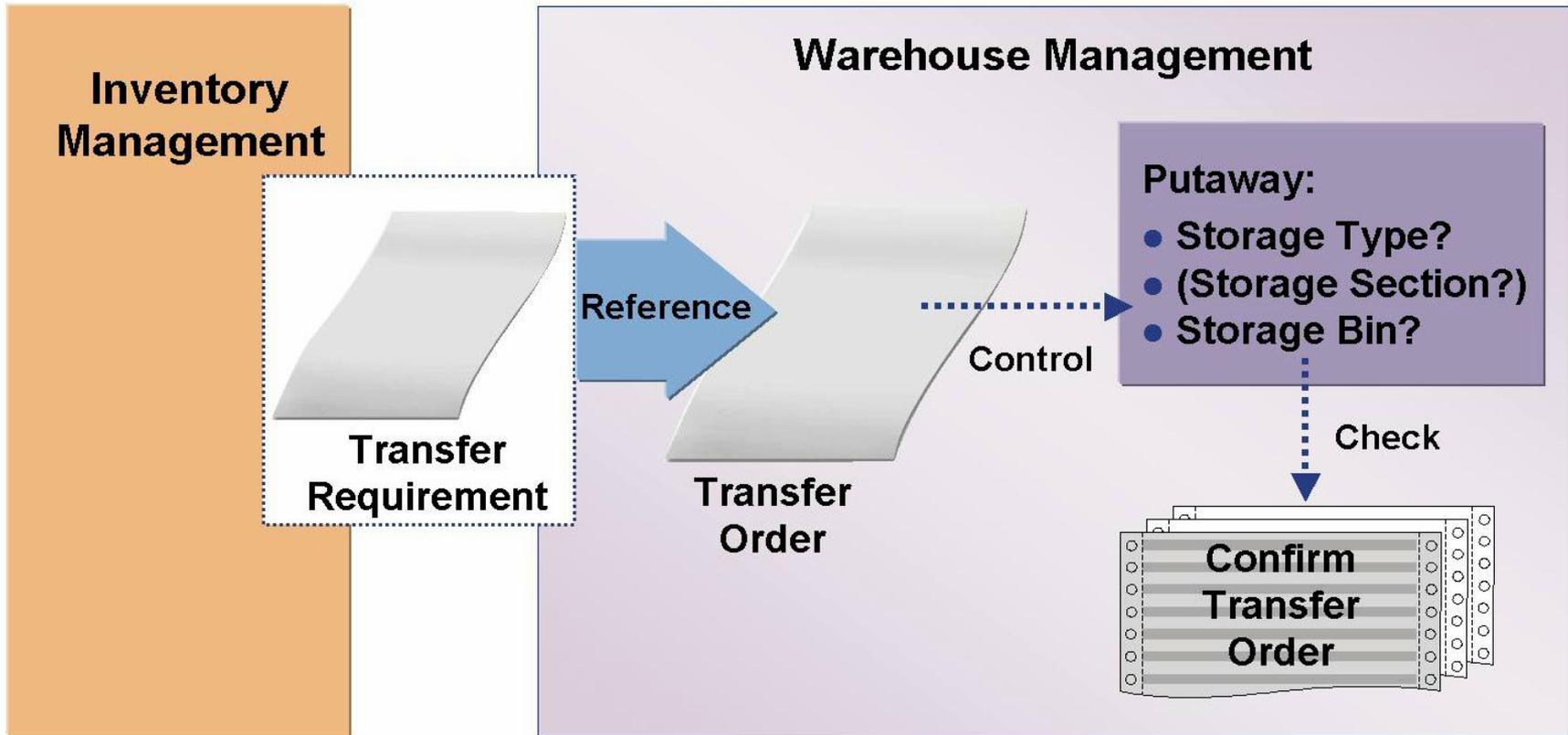
WM Putaway

- Confirmation that the product has been placed into storage in the correct location
  - Barcode Enabled Functionalities
    - Transactions to be carried out on RF gun
    - Confirmation by scanning "from" and "to" location
    - QI materials follow same process but can be identified in the correct location at any point of time
  - Requirements
    - Barcode labels on pallets (material)
    - Barcode labels on "from" and "to" location (Storage)

WM Putaway

T/O items waiting to be confirmed for putaway → Scan location (GR area) → List of all TOs for putaway → Search material by scanning?

Search material by scanning? —Yes→ Scan barcode

Search material by scanning? —No→ Scroll through items

Scan barcode → Only 1 item exist?

Only 1 item exist? —No→ List of all TO items for that material for putaway

List of all TO items for that material for putaway → Choose item by typing the line number, Enter

Scroll through items → Choose item by typing the line number, Enter

Choose item by typing the line number, Enter → Material and Qty for putaway displayed

Only 1 item exist? —Yes→ Material and Qty for putaway displayed

Material and Qty for putaway displayed → Scan Material → Enter Quantity → Take product to Bin → Scan Bin → Item Confirmed → Confirmed Stock in Correct Bins

Repeat process for additional items

WM Cross-Docking

- Receiving product and moving it immediately to an outbound area

  - ➤ Requirements
    - Cross-dock products identified upon receipt
    - Cross-dock products are not put in to storage
    - System to propose cross-dock area as 'To' location in putaway T/O

WM Cross-Docking

```
┌─────────────┐
│ Un-receipted│
│  stock on   │
│  unloading  │──┐
│    dock     │  │
└─────────────┘  │      ┌──────────────┐      ╱───────────╲          ┌──────────────┐      ┌──────────────┐
                 │      │ Scan or Enter│    ╱  Is label     ╲  Yes   │              │      │Attach label to│
                 ├─────▶│  PO Number   │──▶│   required?      │─────▶│Print EAN label│────▶│    Pallet     │
                 │      └──────────────┘    ╲               ╱         └──────────────┘      └──────────────┘
┌─────────────┐  │                            ╲───────────╱                                          │
│  Delivery   │  │                                  │                                                │
│  Document   │──┘                                  └────────────────── No ───────────────────       │
└─────────────┘                                                                                      │
```

E.g. Material Master Data/ indicator in PO

```
┌──────────┐      ┌──────────────┐      ┌──────────────┐      ┌──────────────┐
│          │      │Enter Quantity│      │Identify that │      │  Scan/Enter  │
│   Post   │◀─────│   received   │◀─────│this stock is │◀─────│   Material   │
│          │      │              │      │to be cross   │      │   Number     │
└──────────┘      └──────────────┘      │   docked     │      └──────────────┘
     │                                  └──────────────┘
     │
     │      ┌──────────────┐      ┌──────────────┐      ┌──────────────┐
     │      │ TOs created  │      │              │      │  T/O items   │
     └─────▶│automatically │─────▶│Move Product  │─────▶│ waiting to be│
            │to move to    │      │and confirm TO│      │  delivered   │
            │Cross Dock area│     └──────────────┘      └──────────────┘
            └──────────────┘
```

Quality Inspection Stock

- Quality Inspection stock is:

  - ➢ New stock from vendor being tested
  - ➢ Physical inspection of stock at the time of receipt from vendor
  - ➢ Potential quality issue with existing stock

Scrapping

- Scrapping can be done from:

    ➢Unrestricted stock

    ➢QI stock

    ➢Block Stock

QI, Breakage and Obsolete Scrapping

- **Quality Inspection Scrapping**

- **Damage or Broken Product Scrapping**

- **Obsolete Product Scrapping**

- **All Scrap transactions can be executed through the RF process**

- **There will be an area for Quality Inspection**

WM QI Scrapping

Product in Unrestricted Stock → **Move product to QI Stock MB1B 322** → **Quality Inspection needed?**

Quality Inspection needed? —Yes→ **Carry out Inspection** → **Return to Stock?**

Quality Inspection needed? —No→ **Scrap MB1A 553**

Return to Stock? —No→ **Repair**

Return to Stock? —Yes→ **Back to Unrestricted Stock MB1B 321**

Repair —No→ **Return to Vendor?**

Repair —Yes→ **Back to Unrestricted Stock MB1B 321**

Return to Vendor? —No→ **Scrap MB1A 553**

Return to Vendor? —Yes→ **Return to Vendor (if Cost Justified)**

Scrap MB1A 553 → **Complete**

Back to Unrestricted Stock MB1B 321 → **Complete**

WM Damage Scrapping

Analyze the
degree of
damage

**Review the
damage**

Usuable ?

No

**Execute scrapping process
Reason for Breakage
MIGO or MB1A
551**

Product Scrapped

Yes

No action

WM Obsolete Scrapping

Valid reason to scrap the product

Check if the status in MM is obsolete?

Yes → Scrap the product

No → Contact Material Master Record Maintainer (MMRM)

Complete

WM Goods Issue

- **Requirements**
  - ➢ Print Pick list with reference (Outbound delivery)
  - ➢ Scan barcodes

- **Optional functionalities**
  - ➢ Outbound deliveries can be created automatically or manually
  - ➢ Barcoded container list may be printed
  - ➢ Packing List should be printed
 - ➢ Back Order items can be printed with an indicator

WM Goods Issue

```
Create          Create           Create          Go to the       Scan/           Pick the        Scan/Validate
Delivery   →    Single/      →   Picking List →  first/Next  →   Validate the →  item       →    Material/EAN
                Multiple T/O                      bin             bin                             Number
                                                                                                     │
                                                                                                     ↓
Delivery Status  Confirm T/O    Scan            Capture serial                                   Key in
changed to    ←            ←    Destination  ←  number if                                        Quantity
Completed                       HU/ Confirm     required
                                pick
```
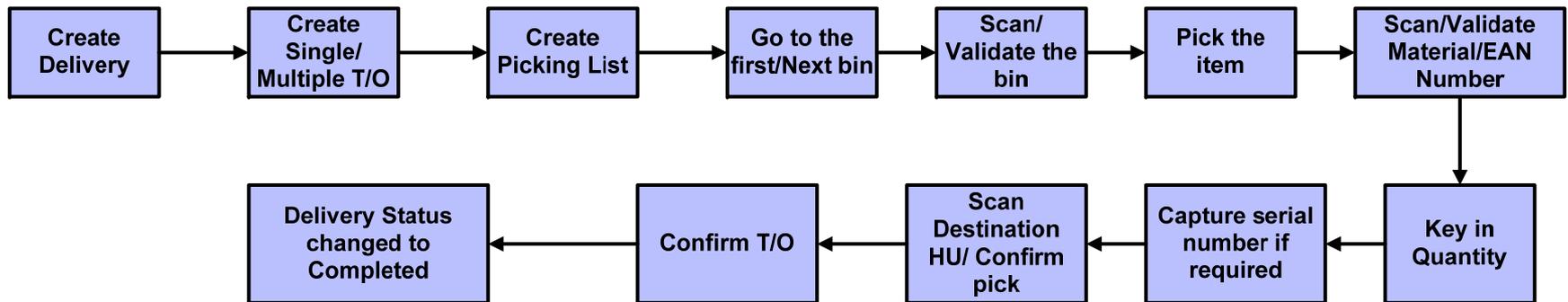
WM Movements

Receive Goods against PO

MvT 101

Interim Storage (Transfer Requirement**)**
Storage Type 902 (GR area)

Putaway to Bin (Transfer Order)

MvT 101

Warehouse

Bin

Issue Goods

MvT 601

Interim Storage (Transfer Requirement**)**
Storage Type 916 (GI area)

**Create Transfer Order against a Delivery note For Picking**

MvT 601

Statistics for WM Movement type usage

Questions?